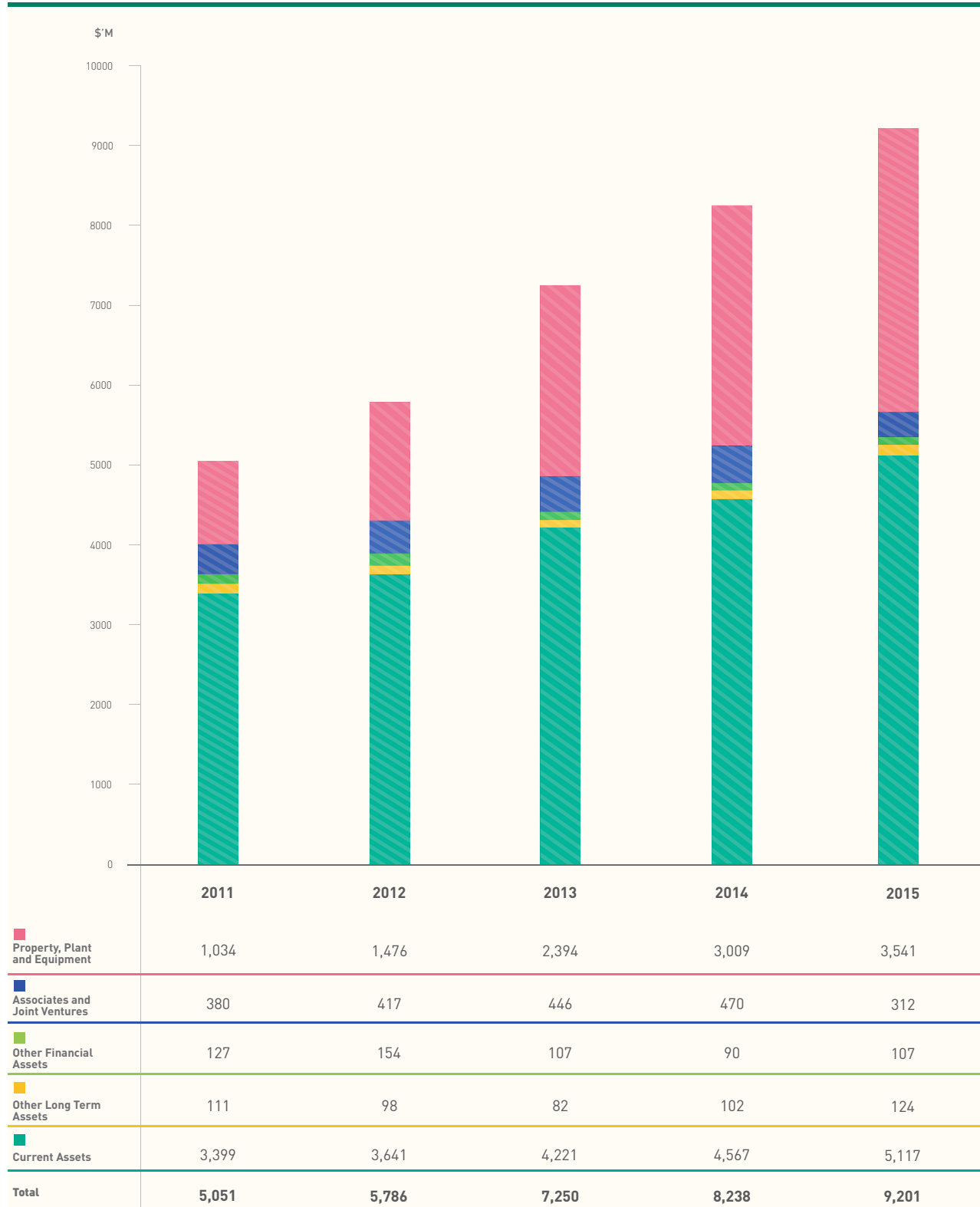


## GROUP FINANCIAL REVIEW

## GROUP FIVE-YEAR FINANCIAL SUMMARY

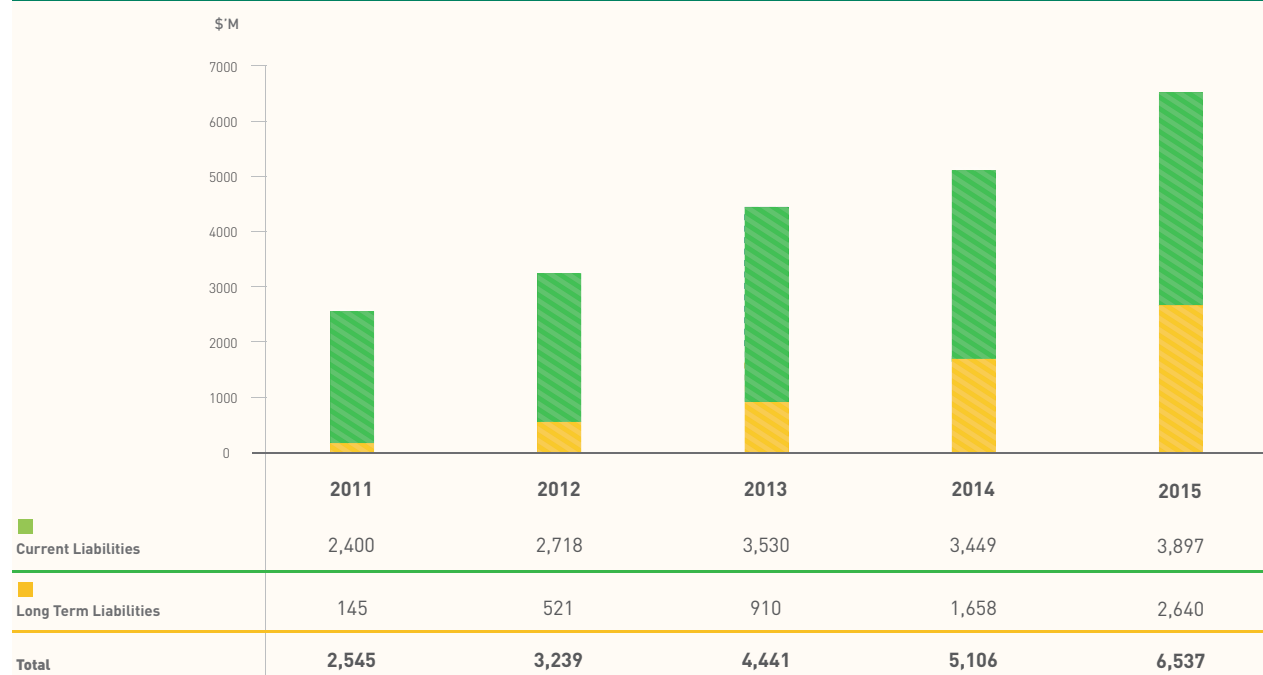
	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000
<b>For the Year</b>					
Turnover	3,960,230	4,430,123	5,525,882	5,832,595	4,968,132
Operating profit / (loss)	737,129	554,218	644,257	707,025	(149,991)
Profit / (loss) before tax	850,310	617,378	660,537	707,004	(377,603)
Net profit / (loss)	751,903	538,453	555,747	560,128	(289,672)
Dividend - Interim	104,185	104,382	104,464	104,459	83,563
Dividend - Final	125,303	125,347	125,359	167,148	41,771
Dividend - Final Special	292,375	41,782	41,787	-	-
Dividend - Total	521,863	271,511	271,610	271,607	125,334
<b>At Year End</b>					
Property, plant and equipment	1,034,345	1,476,206	2,394,167	3,008,909	3,540,555
Associates & joint ventures	380,065	417,329	445,743	470,277	312,056
Other financial assets	126,956	154,332	107,166	90,443	107,263
Other long term assets	111,411	97,715	81,931	101,673	124,212
Current assets	3,398,869	3,640,875	4,221,093	4,567,118	5,117,036
Current liabilities	(2,400,252)	(2,718,214)	(3,530,406)	(3,448,597)	(3,897,046)
Long term liabilities	(145,314)	(521,218)	(910,182)	(1,657,796)	(2,639,797)
	2,506,080	2,547,025	2,809,512	3,132,027	2,664,279
Share capital	470,596	480,086	484,288	484,288	484,288
Capital, foreign currency translation and other reserves	(24,695)	(26,335)	(76,179)	(76,625)	9,770
Retained profit	1,968,356	1,984,773	2,268,927	2,557,455	2,017,147
Non-controlling interests	91,823	108,501	132,476	166,909	153,074
	2,506,080	2,547,025	2,809,512	3,132,027	2,664,279
<b>Per share</b>					
EPS - basic (cents)	36.13	25.81	26.61	26.83	(13.87)
EPS - diluted (cents)	36.10	25.80	26.59	26.82	(13.87)
Net tangible assets (cents)	114.14	115.19	126.76	139.40	118.00
Net asset value (cents)	115.92	116.80	128.21	141.92	120.24
<b>Financial Ratios</b>					
Return on equity (%)	29.99	22.19	21.73	19.86	(10.58)
Return on total assets (%)	14.56	9.94	9.15	8.00	(2.90)
Operating profit (loss) /equity (%)	29.40	22.84	25.19	25.06	(5.48)
Current ratio (times)	1.42	1.34	1.20	1.32	1.31
Net gearing (times)	Net cash	Net cash	Net cash	0.22	1.10
Dividend cover (times)	1.44	1.98	2.05	2.06	n.a.

## ASSETS

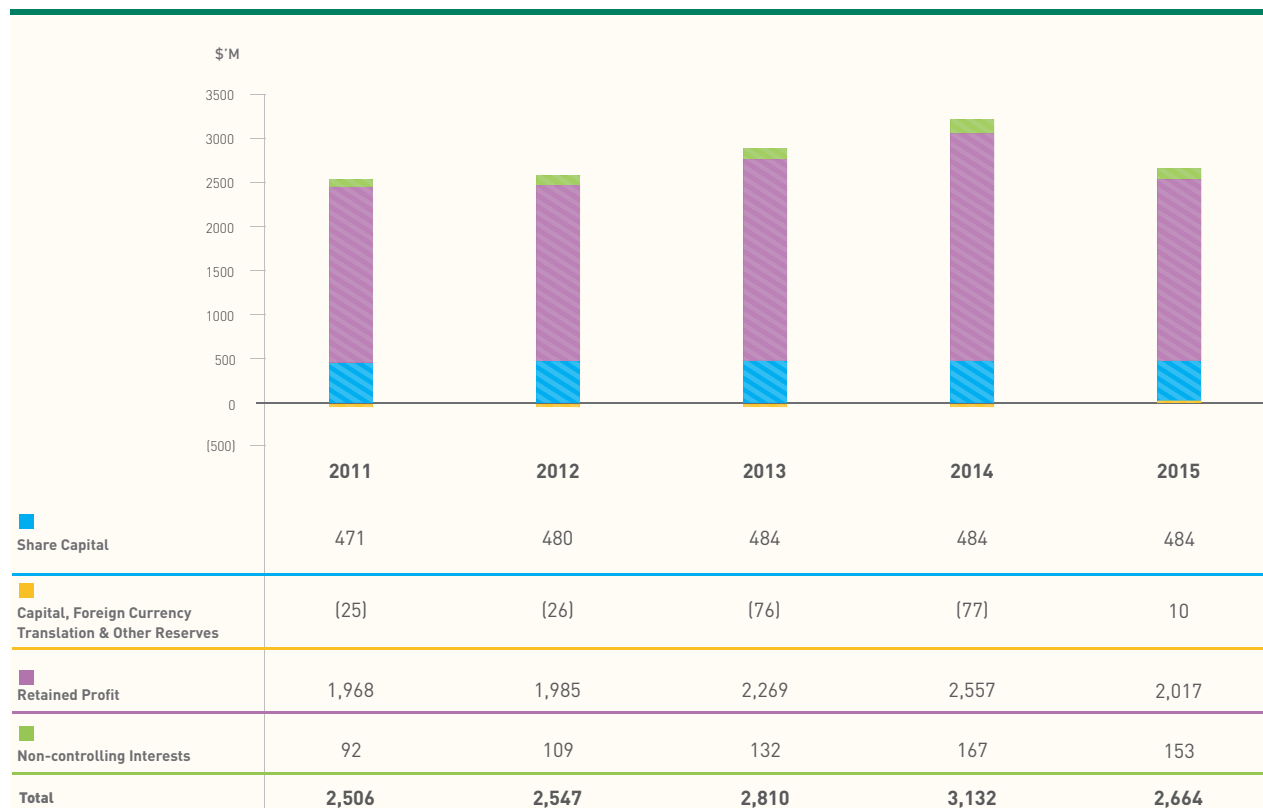


## GROUP FINANCIAL REVIEW

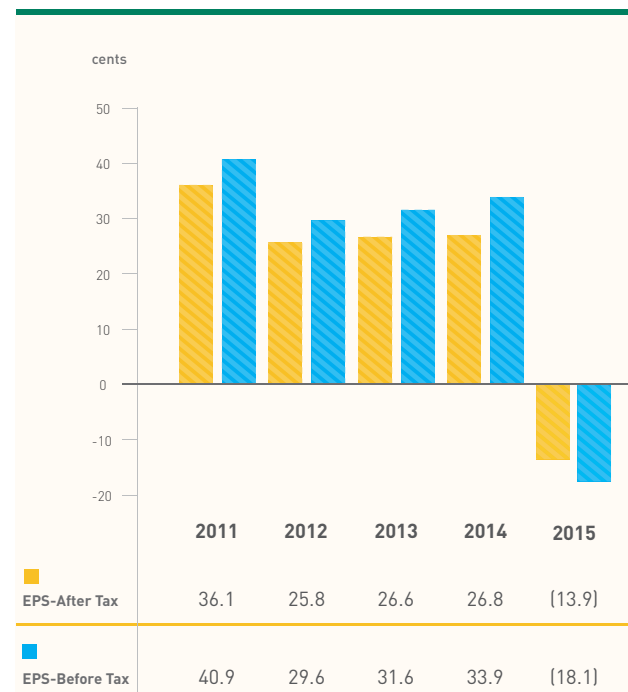
## LIABILITIES



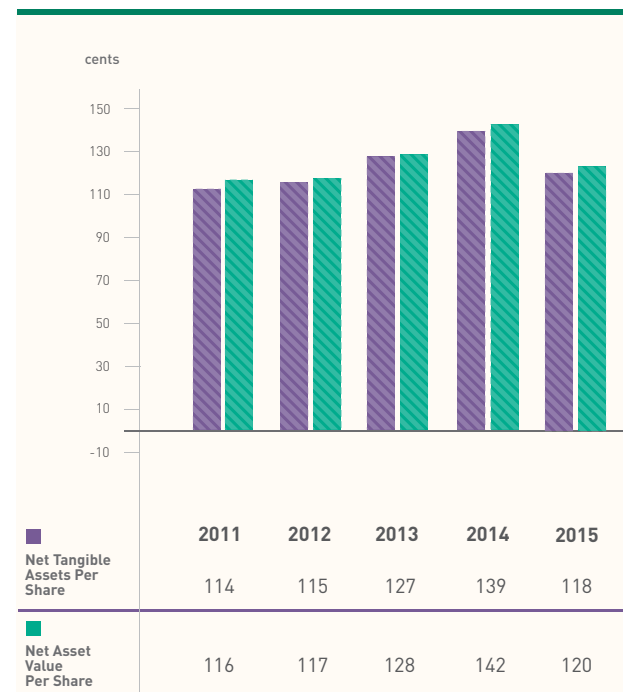
## SHAREHOLDERS' FUNDS



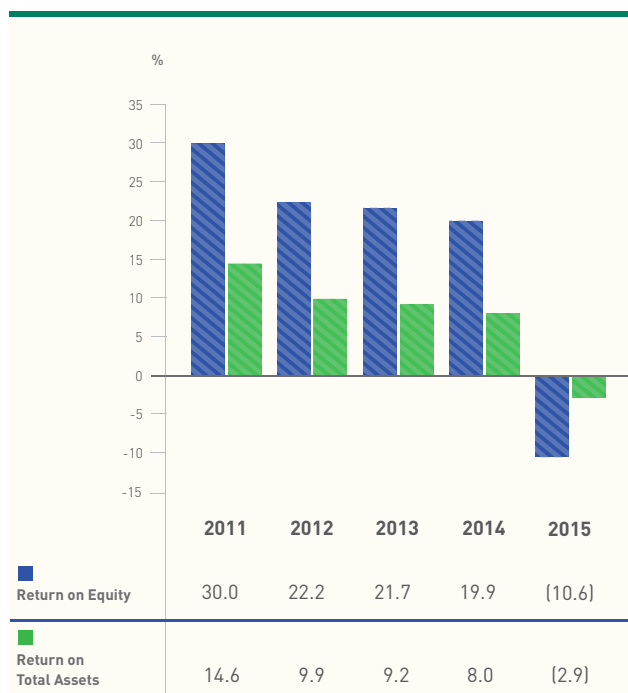
## EARNINGS PER SHARE



## NET TANGIBLE ASSETS AND NET ASSET VALUE PER SHARE



## RETURN ON EQUITY AND RETURN ON TOTAL ASSETS



## DIVIDEND PER SHARE



## GROUP FINANCIAL REVIEW

## ECONOMIC VALUE ADDED STATEMENT

	2015 \$'000	2014 \$'000
<b>Net operating (loss) / profit before tax</b>	<b>(204,104)</b>	<b>697,145</b>
Adjusted for:		
Share of associates' and joint ventures' (loss) / profit	(170,881)	8,295
Interest expense	52,911	26,997
Others	(38,296)	(4,040)
<b>Adjusted (loss) / profit before interest and tax</b>	<b>(360,370)</b>	<b>728,397</b>
Cash operating taxes (Note 1)	(36,258)	(96,305)
<b>Net operating (loss) / profit after tax (NOPAT)</b>	<b>(396,628)</b>	<b>632,092</b>
Average capital employed (Note 2)	6,151,819	4,557,773
Weighted average cost of capital (Note 3)	6.7%	6.6%
<b>Capital charge</b>	<b>412,172</b>	<b>300,813</b>
<b>Economic value added (EVA)</b>	<b>(808,800)</b>	<b>331,279</b>
Non-controlling share of EVA	26,399	(29,849)
<b>EVA attributable to owners of the Company</b>	<b>(782,401)</b>	<b>301,430</b>

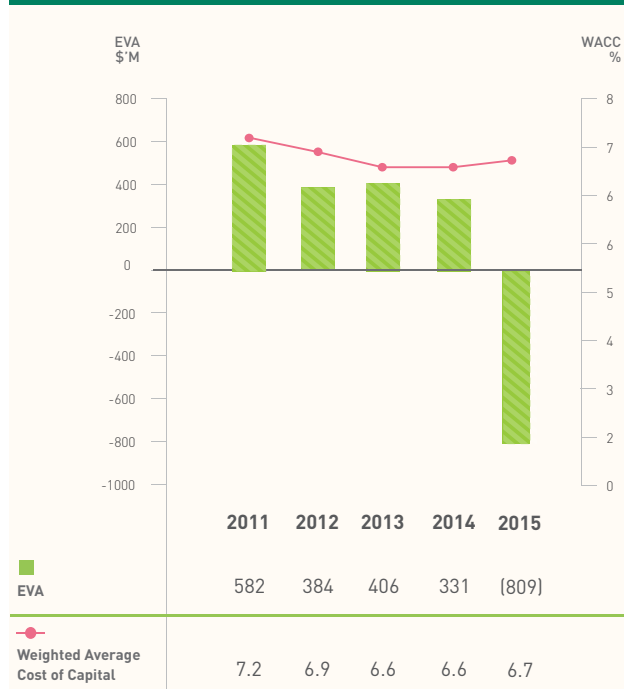
Note 1: The reported current tax is adjusted for the statutory tax impact of interest expense.

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.

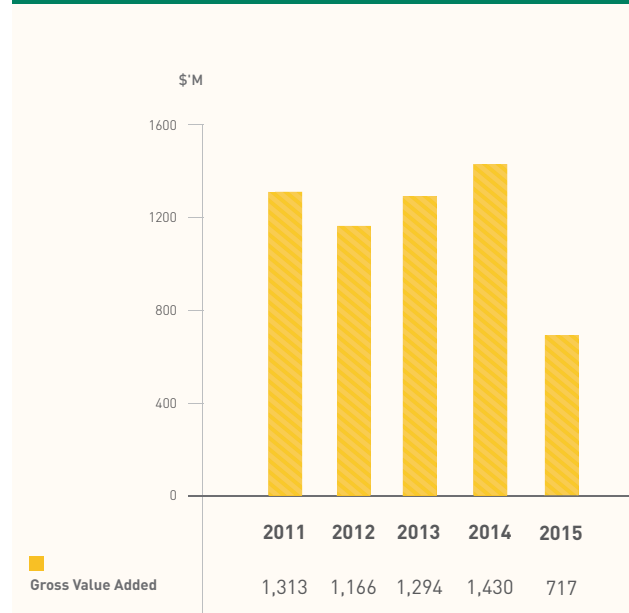
Note 3: The weighted average cost of capital is calculated in accordance with Sembcorp Marine Ltd Group's EVA Policy as follows:

- i) Cost of equity using Capital Asset Pricing Model with market risk premium at 9.4% (2014: 5.0%);
- ii) Risk-free rate of 2.26% (2014: 2.12%) based on yield-to-maturity of Singapore Government 10-year Bonds;
- iii) Ungeared beta 0.9 (2014: 0.9) based on Sembcorp Marine's risk categorisation; and
- iv) Cost of debt rate at 2.65% (2014: 2.47%).

**ECONOMIC VALUE ADDED (EVA)**



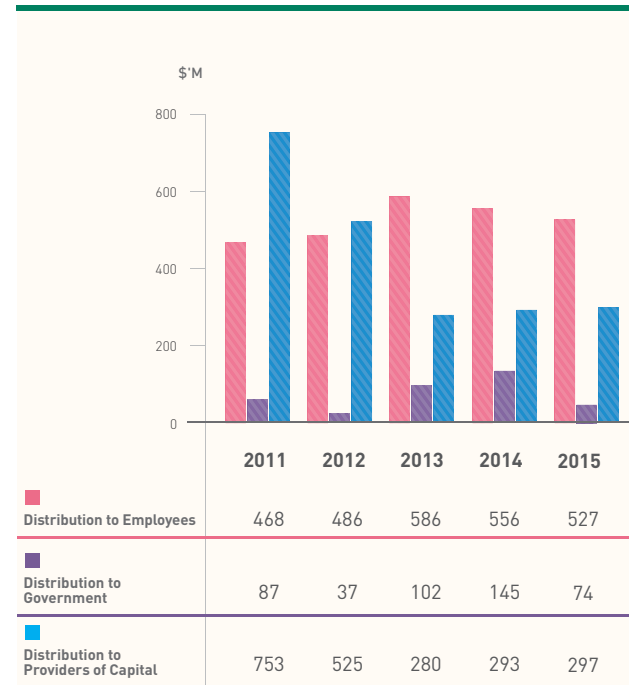
**GROSS VALUE ADDED**



**VALUE ADDED PER EMPLOYEE**



**DISTRIBUTION OF VALUE ADDED**



## GROUP FINANCIAL REVIEW

## VALUE ADDED STATEMENT

	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000
<b>Value added from:</b>					
Turnover	3,960,230	4,430,123	5,525,882	5,832,595	4,968,132
Less: Bought in materials and services	(2,647,549)	(3,264,571)	(4,231,874)	(4,402,863)	(4,251,510)
Gross value added	1,312,681	1,165,552	1,294,008	1,429,732	716,622
Investment, interest and other income/(expenses), net	64,610	20,316	81,650	12,371	(30,048)
Share of results of associates and joint ventures, net of tax	53,275	44,001	11,166	9,859	(173,499)
Non-operating (expenses)/income, net	(2,044)	(2,439)	2,758	177	18,708
	<b>1,428,522</b>	<b>1,227,430</b>	<b>1,389,582</b>	<b>1,452,139</b>	<b>531,783</b>
<b>Distribution</b>					
To employees in wages, salaries and benefits	467,746	486,270	585,859	556,436	527,159
To government in income and other taxes	86,606	37,221	102,430	144,959	74,057
To providers of capital in:					
Interest paid on borrowings	2,491	3,262	8,072	20,960	46,775
Dividends to owners of the Company	750,501	522,036	271,593	271,600	250,636
<b>Retained in business</b>					
Depreciation, amortisation and R&D expenses	86,278	94,020	100,607	115,142	131,760
Deferred tax expense/(credit)	14,852	38,021	3,807	12,449	(102,282)
Retained profit/(loss)	1,402	16,417	284,154	288,528	(540,308)
Non-controlling interests	17,226	28,985	32,513	41,147	(10,294)
Other expenses	1,420	1,198	547	918	154,280
	<b>1,428,522</b>	<b>1,227,430</b>	<b>1,389,582</b>	<b>1,452,139</b>	<b>531,783</b>
<b>Productivity data</b>					
Average staff strength	9,592	10,395	12,313	12,938	14,106
Employment costs	467,746	486,270	585,859	556,436	527,159
Value added (\$'000)	1,312,681	1,165,552	1,294,008	1,429,732	716,622
Value added per employee (\$'000)	137	112	105	111	51
Value added per dollar employment costs (\$)	2.81	2.40	2.21	2.57	1.36
Value added per dollar investment in property, plant and equipment (\$)	1.27	0.79	0.54	0.48	0.20
Value added per dollar turnover (\$)	0.33	0.26	0.23	0.25	0.14