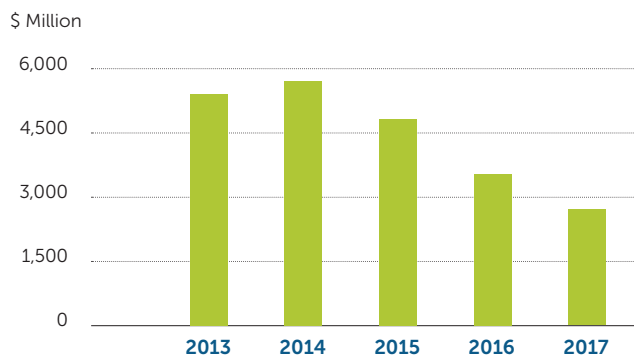


## Group Five Year Financial Summary

	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000
<b>For the Year</b>					
Turnover	5,525,882	5,832,595	4,968,132	3,544,816	2,387,354
Operating profit / (loss)	644,257	707,025	(149,991)	225,306	20,453
Profit / (Loss) before tax	660,537	707,004	(377,603)	90,520	(15,644)
Net profit / (loss)	555,747	560,128	(289,672)	78,777	14,076
Dividend - Interim	104,464	104,459	83,563	31,345	20,897
Dividend - Final	125,359	167,102	41,795	20,897	20,879
Dividend - Final Special	41,787	-	-	-	-
Dividend - Total	271,610	271,561	125,358	52,242	41,776
<b>At Year End</b>					
Property, plant and equipment	2,394,167	3,008,909	3,540,555	3,986,667	3,995,019
Associates and joint ventures	445,743	470,277	312,056	74,816	67,965
Other financial assets	107,166	90,443	107,263	67,783	46,150
Other non-current assets	81,931	101,673	124,212	267,262	353,830
Current assets	4,221,093	4,567,118	5,117,036	5,018,305	4,688,484
Current liabilities	(3,530,406)	(3,448,597)	(3,897,046)	(3,748,282)	(3,142,611)
Non-current liabilities	(910,182)	(1,657,796)	(2,639,797)	(3,058,930)	(3,489,465)
	2,809,512	3,132,027	2,664,279	2,607,621	2,519,372
Share capital	484,288	484,288	484,288	484,288	484,288
Capital, foreign currency translation and other reserves	(76,179)	(76,625)	9,770	54,905	(25,724)
Revenue reserve	2,268,927	2,557,455	2,017,147	2,022,796	2,019,609
Non-controlling interests	132,476	166,909	153,074	45,632	41,199
	2,809,512	3,132,027	2,664,279	2,607,621	2,519,372
<b>Per Share</b>					
EPS - basic (cents)	26.61	26.83	(13.87)	3.77	0.67
EPS - diluted (cents)	26.59	26.82	(13.87)	3.77	0.67
Net tangible assets (cents)	126.76	139.40	118.00	112.95	110.11
Net asset value (cents)	128.21	141.92	120.24	122.62	118.69
<b>Financial Ratios</b>					
Return on equity (%)	21.73	19.86	(10.58)	3.11	0.56
Return on total assets (%)	9.15	8.00	(2.90)	1.76	1.14
Operating profit (loss) / equity (%)	25.19	25.06	(5.48)	8.88	0.81
Current ratio (times)	1.20	1.32	1.31	1.34	1.49
Net gearing (times)	Net cash	0.21	1.03	1.13	1.11
Dividend cover (times)	2.05	2.06	n.a.	1.51	0.34

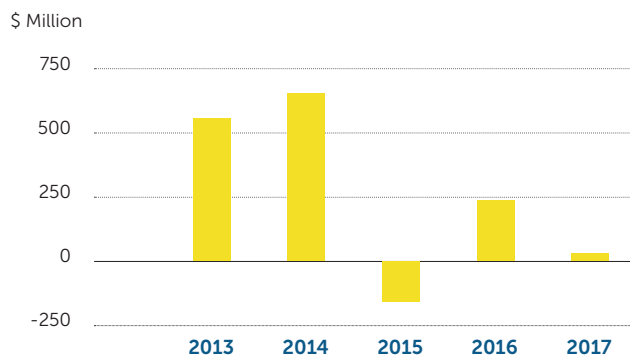
## GROUP FINANCIAL REVIEW

### Turnover



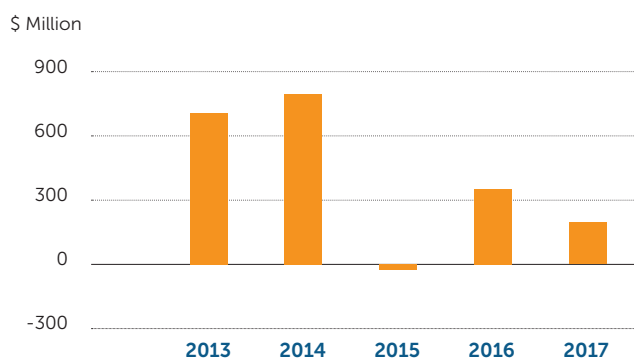
Turnover	5,526	5,833	4,968	3,545	2,387
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### Operating Profit



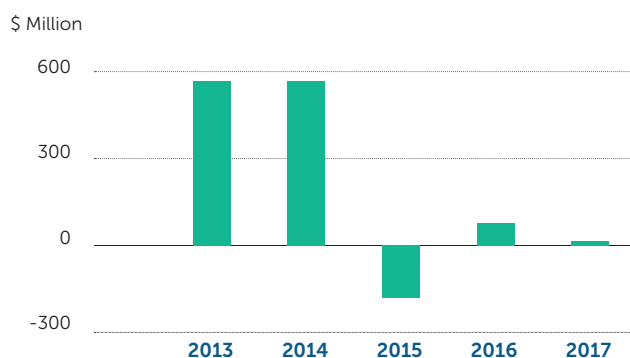
Operating profit / (loss)	644	707	(150)	225	20
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### EBITDA



EBITDA	745	822	(18)	384	213
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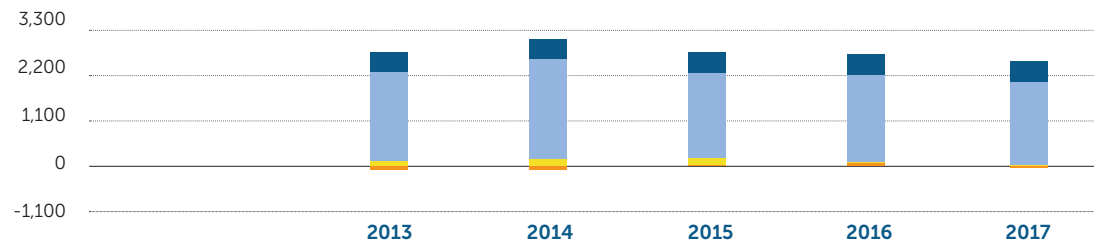
### Net Profit



Net profit / (loss)	556	560	(290)	79	14
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## Total Equity

\$ Million

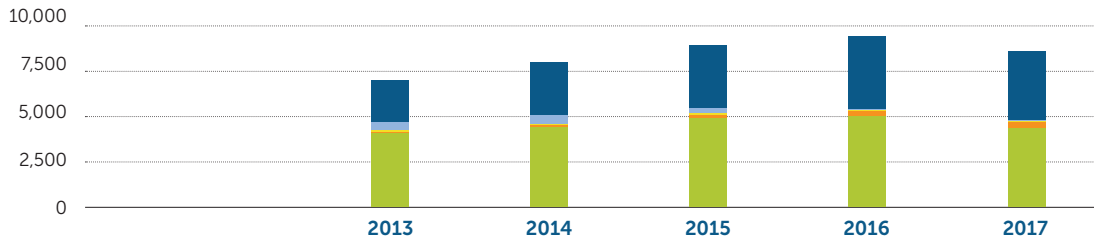


	2013	2014	2015	2016	2017
Share capital	484	484	484	484	484
Revenue reserve	2,269	2,557	2,017	2,023	2,020
Non-controlling interests	132	167	153	46	41
Capital, foreign currency translation and other reserves	(76)	(77)	10	55	(26)
<b>Total</b>	<b>2,810</b>	<b>3,132</b>	<b>2,664</b>	<b>2,608</b>	<b>2,519</b>

- Share capital
- Revenue reserve
- Non-controlling interests
- Capital, foreign currency translation and other reserves

## Assets

\$ Million

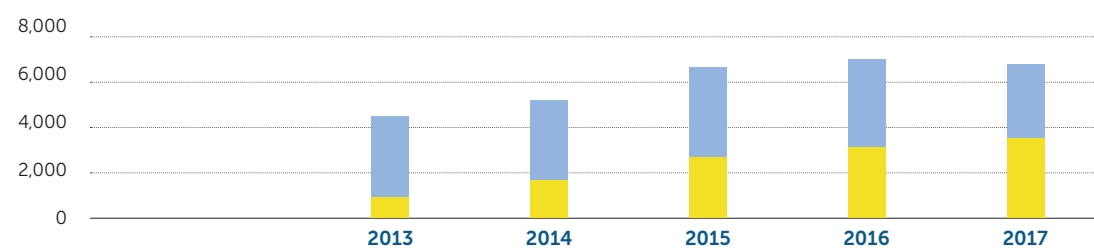


	2013	2014	2015	2016	2017
Property, plant and equipment	2,394	3,009	3,541	3,987	3,995
Associates and joint ventures	446	470	312	75	68
Other financial assets	107	90	107	68	46
Other non-current assets	82	102	124	267	354
Current assets	4,221	4,567	5,117	5,018	4,688
<b>Total</b>	<b>7,250</b>	<b>8,238</b>	<b>9,201</b>	<b>9,415</b>	<b>9,151</b>

- Property, plant and equipment
- Associates and joint ventures
- Other financial assets
- Other non-current assets
- Current assets

## Liabilities

\$ Million

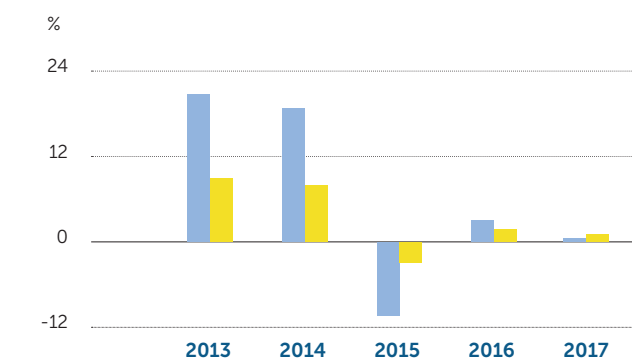


	2013	2014	2015	2016	2017
Current liabilities	3,530	3,449	3,897	3,748	3,143
Non-current liabilities	910	1,658	2,640	3,059	3,489
<b>Total</b>	<b>4,441</b>	<b>5,106</b>	<b>6,537</b>	<b>6,807</b>	<b>6,632</b>

- Current liabilities
- Non-current liabilities

## GROUP FINANCIAL REVIEW

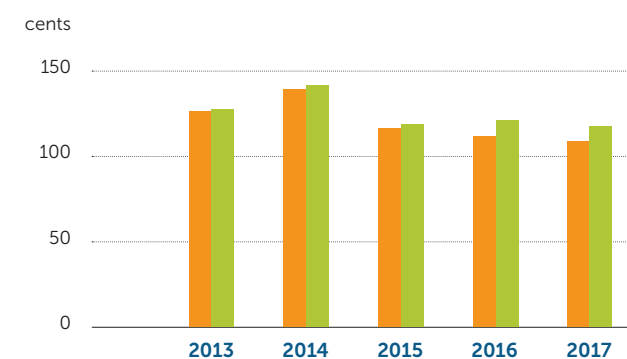
### Return on Equity and Return on Total Assets



Return on Equity	21.7	19.9	(10.6)	3.1	0.6
Return on Total Assets	9.2	8.0	(2.9)	1.8	1.1

■ Return on Equity      ■ Return on Total Assets

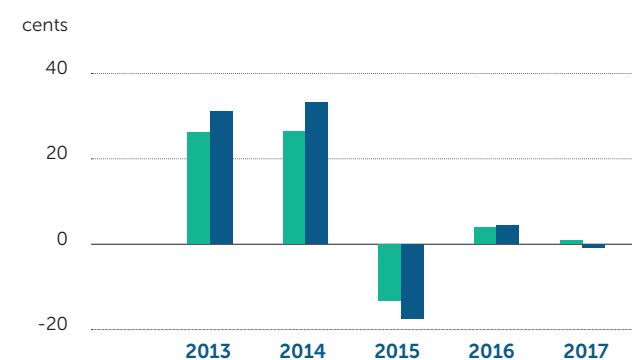
### Net Tangible Assets and Net Asset Value Per Share



Net Tangible Assets Per Share	127	139	118	113	110
Net Asset Value Per Share	128	142	120	123	119

■ Net Tangible Assets Per Share      ■ Net Asset Value Per Share

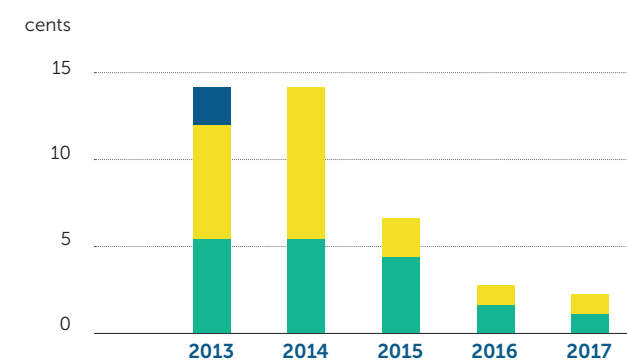
### Earnings Per Share



EPS - After Tax	26.6	26.8	(13.9)	3.8	0.7
EPS - Before Tax	31.6	33.9	(18.1)	4.3	(0.7)

■ EPS - After Tax      ■ EPS - Before Tax

### Dividend Per Share



Dividend - Interim	5.0	5.0	4.0	1.5	1.0
Dividend - Final	6.0	8.0	2.0	1.0	1.0
Dividend - Final Special	2.0	-	-	-	-
<b>Total</b>	<b>13.0</b>	<b>13.0</b>	<b>6.0</b>	<b>2.5</b>	<b>2.0</b>

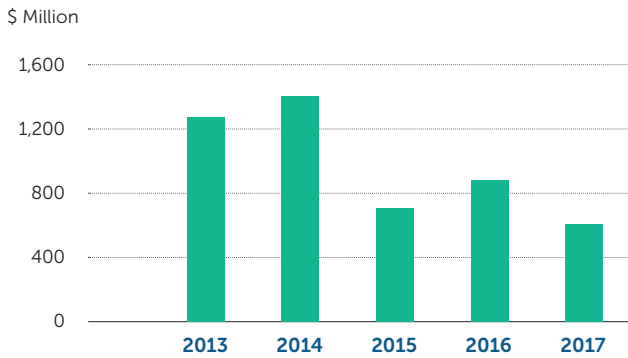
■ Dividend - Final Special      ■ Dividend - Final      ■ Dividend - Interim

## Value Added Statement

	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000
<b>Value added from</b>					
Turnover	5,525,882	5,832,595	4,968,132	3,544,816	2,387,354
Less: Bought in materials and services	(4,231,874)	(4,402,863)	(4,251,510)	(2,650,304)	(1,713,023)
Gross value added	1,294,008	1,429,732	716,622	894,512	674,331
Investment, interest and other income	81,650	12,371	7,368	38,754	55,667
Share of results of associates and joint ventures, net of tax	11,166	9,859	(173,499)	(35,134)	(3,617)
Non-operating income / (expenses), net	2,758	177	(18,708)	(18,923)	51,494
	<b>1,389,582</b>	<b>1,452,139</b>	<b>531,783</b>	<b>879,209</b>	<b>777,875</b>
<b>Distribution</b>					
To employees in wages, salaries and benefits	585,859	556,436	527,159	490,211	460,717
To government in income and other taxes	102,430	144,959	74,057	58,723	41,094
To providers of capital in: Interest on borrowings	8,072	20,960	46,775	88,651	95,522
Dividends to owners of the Company	271,593	271,600	250,636	73,128	41,788
<b>Retained in business</b>					
Depreciation, amortisation and R&D expenses	100,607	115,142	131,760	159,128	193,015
Deferred tax expense / (credit)	3,807	12,449	(102,282)	1,683	(23,970)
Revenue reserve	284,154	288,528	(540,308)	5,649	(27,712)
Non-controlling interests	32,513	41,147	(10,294)	(3,617)	(4,128)
Other expenses	547	918	154,280	5,653	1,549
<b>Total distribution</b>	<b>1,389,582</b>	<b>1,452,139</b>	<b>531,783</b>	<b>879,209</b>	<b>777,875</b>
<b>Productivity data</b>					
Average staff strength	12,313	12,938	14,106	13,222	11,689
Employment costs	585,859	556,436	527,159	490,211	460,717
Value added (\$'000)	1,294,008	1,429,732	716,622	894,512	674,331
Value added per employee (\$'000)	105	111	51	68	58
Value added per dollar employment costs(\$)	2.21	2.57	1.36	1.82	1.46
Value added per dollar investment in property, plant and equipment (\$)	0.54	0.48	0.20	0.22	0.17
Value added per dollar turnover (\$)	0.23	0.25	0.14	0.25	0.28

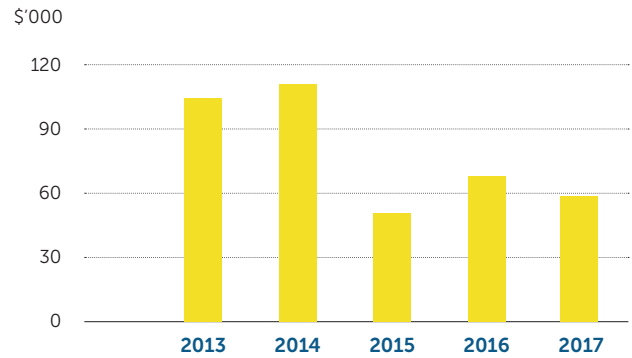
## GROUP FINANCIAL REVIEW

### Gross Value Added



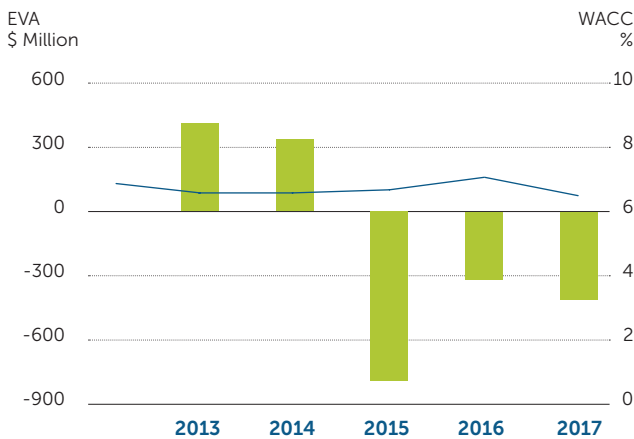
Gross Value Added	1,294	1,430	717	895	674
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### Value Added Per Employee



Value Added Per Employee	105	111	51	68	58
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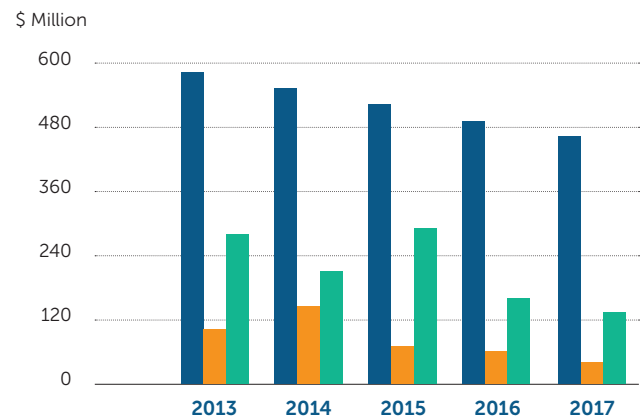
### Economic Value Added (EVA)



EVA	406	331	(809)	(324)	(421)
Weighted Average Cost of Capital	6.6	6.6	6.7	7.1	6.5

■ EVA      — Weighted Average Cost of Capital

### Distribution of Value Added



Distribution to Employees	586	556	527	490	461
Distribution to Government	102	145	74	59	41
Distribution to Providers of Capital	280	293	297	162	137

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

## Economic Value Added Statement

	2017 \$'000	2016 \$'000
<b>Net operating (loss) / profit before tax</b>	<b>(12,027)</b>	<b>125,654</b>
Adjusted for:		
Share of associates' and joint ventures' results	(3,221)	(41,748)
Interest expense	103,415	95,989
Others	(15,718)	18,308
<b>Adjusted profit before interest and tax</b>	<b>72,449</b>	<b>198,203</b>
Cash operating taxes (Note 1)	(16,224)	(23,381)
<b>Net operating profit after tax (NOPAT)</b>	<b>56,225</b>	<b>174,822</b>
Average capital employed (Note 2)	7,337,114	7,027,199
Weighted average cost of capital (Note 3)	6.5%	7.1%
<b>Capital charge</b>	<b>476,912</b>	<b>498,931</b>
<b>Economic value added (EVA)</b>	<b>(420,687)</b>	<b>(324,109)</b>
Non-controlling share of EVA	9,089	21,458
<b>EVA attributable to owners of the Company</b>	<b>(411,598)</b>	<b>(302,651)</b>
Unusual items (UI) gains (Note 4)	(44,493)	-
<b>EVA attributable to owners of the Company (exclude UI)</b>	<b>(456,091)</b>	<b>(302,651)</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 EVA Policy as follows:

- i) Cost of equity using Capital Asset Pricing Model with market risk premium at 5.0% (2016: 5.0%);
- ii) Risk-free rate of 2.22% (2016: 2.28%) based on yield-to-maturity of Singapore Government 10-year Bonds;
- iii) Ungeared beta 0.7 (2016: 0.9) based on Sembcorp Marine risk categorisation; and
- iv) Cost of debt rate at 4.25% (2016: 3.45%).

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.