



Company Registration Number: 196300098Z

**PRESS RELEASE**

**2007 : AN OUTSTANDING YEAR WITH SOLID OPERATIONAL GROWTH**

**Singapore, February 22, 2008 :** Sembcorp Marine today reported a strong 66% growth in FY 2007 PATMI to \$362.3 million, excluding non operating items.

**Financial Highlights (Excluding Unauthorised Transactions)**

Description (\$m)	Year		% Change	4Q	4Q	% Change
	FY 2007	FY 2006		2007	2006	
Revenue	4,513.1	3,545.0	27	1,336.7	1,331.5	-
EBITDA	413.1	273.8	51	145.1	101.3	43
Operating Profit	349.0	228.2	53	126.8	88.2	44
Pre-tax Profit, exclude FX	673.0	310.9	116	385.2	128.6	200
PATMI, exclude FX	549.2	238.4	130	309.0	95.3	224
PATMI, exclude Nol	362.3	217.8	66	120.4	75.7	59
EPS, basic (cents), excl FX	26.72	*11.71	128	14.93	*4.66	22
EPS, basic (cents) excl Nol	17.62	*10.70	65	5.82	*3.70	57
NAV (cents)	81.1	*65.3	24	-	-	-

\* Adjusted for 2 for 5 Bonus Issue

FX : Unauthorised Transactions and related expenses

Nol : Non operating Items

Group operating profits increased by 53% from \$228.2 million in FY 2006 to \$349.0 in FY 2007. Group pre-tax profits increased by 116% from \$310.9 million to \$673.0 million, excluding effects of Unauthorised Transactions and related expenses. The increase is mainly attributable to higher turnover and operating margin from rig building and ship repair businesses, better contribution from associated companies, and gain on sale of other long-term equity investment amounting to \$229.7 million.

## Financial Highlights: Effects of Unauthorised Transactions

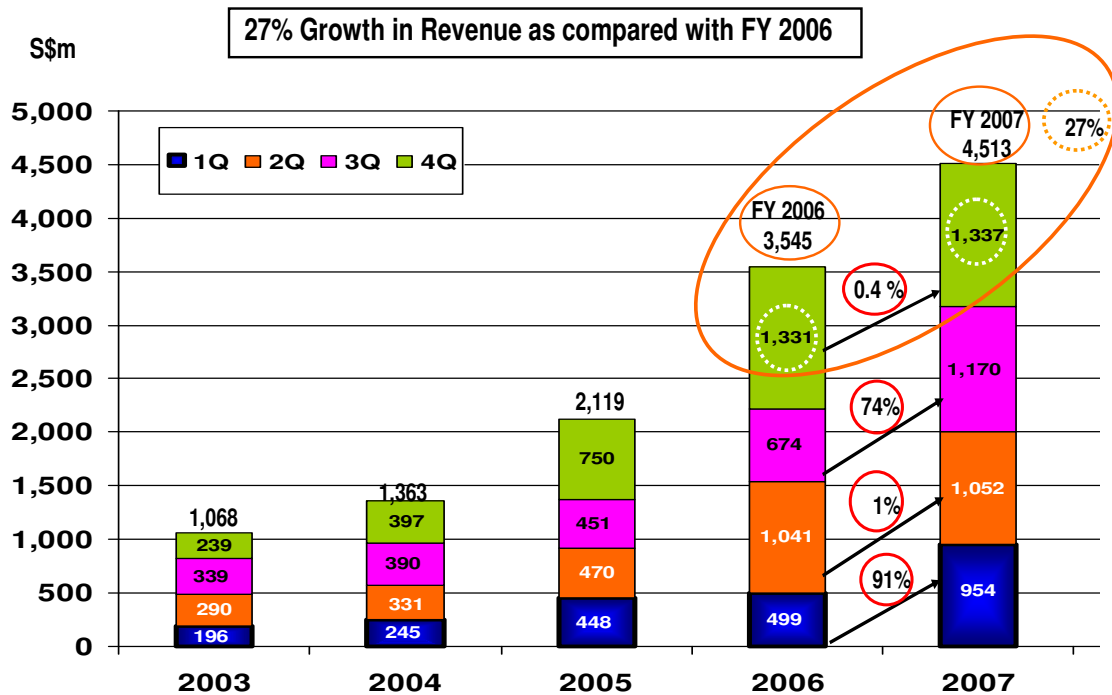
Description (\$m)	Year	FY	FY	%	4Q	4Q	%
		2007	2006	Change	2007	2006	Change
Revenue		4,513.1	3,545.0	27	1,336.7	1,331.5	-
EBITDA		413.1	273.8	51	145.1	101.3	43
Operating Profit		349.0	228.2	53	126.8	88.2	44
<b>Effects of Unauthorised Transactions</b>							
Pre-tax Profit		364.7	310.9	17	77.0	128.6	(40)
PATMI		241.0	238.4	1	0.8	95.3	(99)
EPS, basic (cents)		11.72	11.71*	-	0.04	4.66*	(99)
NAV (cents)		81.1	65.3*	24	-	-	-

\* Adjusted for 2 for 5 Bonus Issue

However, the strong set of FY 2007 financial results was offset by the \$308.2 million charged to the profit and loss account arising from the Unauthorised Transactions and related expenses in 4Q 2007. Despite the Unauthorised Transactions and related expenses, PATMI increased by 1.1% from \$238.4 million in FY 2006 to \$241.0 million in FY 2007.

On a quarterly basis, Group operating profits increased by 44% from \$88.2 million in 4Q 2006 to \$126.8 million in 4Q 2007. However, Group pre-tax profits decreased by 40% from \$128.6 million in 4Q 2006 to \$77.0 million in 4Q 2007. The decrease is mainly due to the \$308.2 million charged to the profit and loss account arising from the Unauthorised Transactions and related expenses, offset by higher operating margin from rig building and ship repair businesses, better contribution from associated companies, and gain on sale of other long-term equity investment amounting to \$229.7 million.

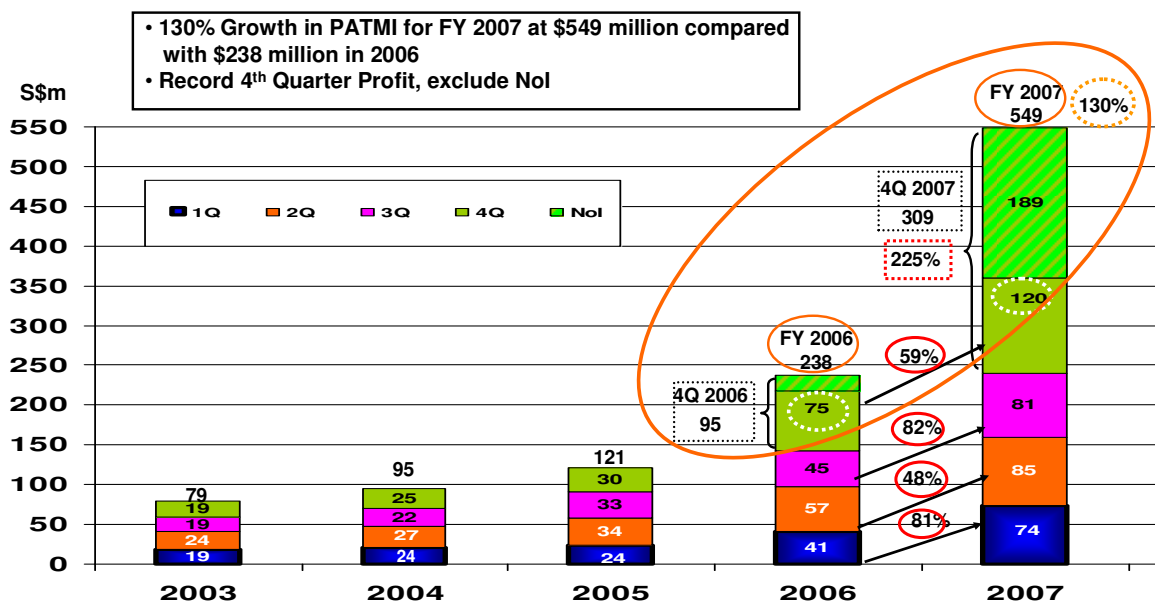
## Quarterly Revenue (2003 to 2007)



- Group turnover for FY 2007 increased by 27% from \$3,545 million in FY 2006 to \$4,513 million with growth mainly driven by the rig building, ship repair and offshore and conversion businesses.
- On a quarterly basis, Group turnover for 4Q 2007 increased marginally by 0.4% from \$1,331 million in 4Q 2006 to \$1,337 million with growth mainly from the rig building and ship repair businesses.

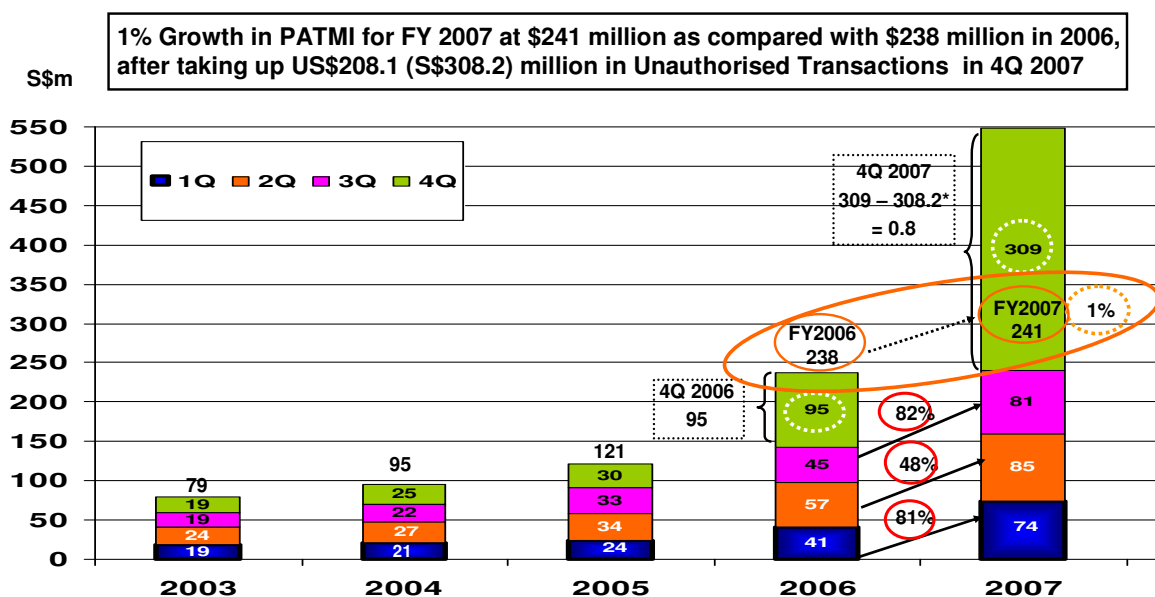
## Quarterly PATMI (2003 to 2007)

### Excluding Unauthorised Transactions



- 130% growth in PATMI at \$549 million for FY 2007 as compared with \$238 million in FY 2006
- Record 4Q 2007 PATMI at \$309 million, an increase by 224% as compared with \$95 million for corresponding period in 2006
- Excluding Nol, record 4Q 2007 PATMI at \$120 million compared with \$76 million in 4Q 2006, an increase of 59%

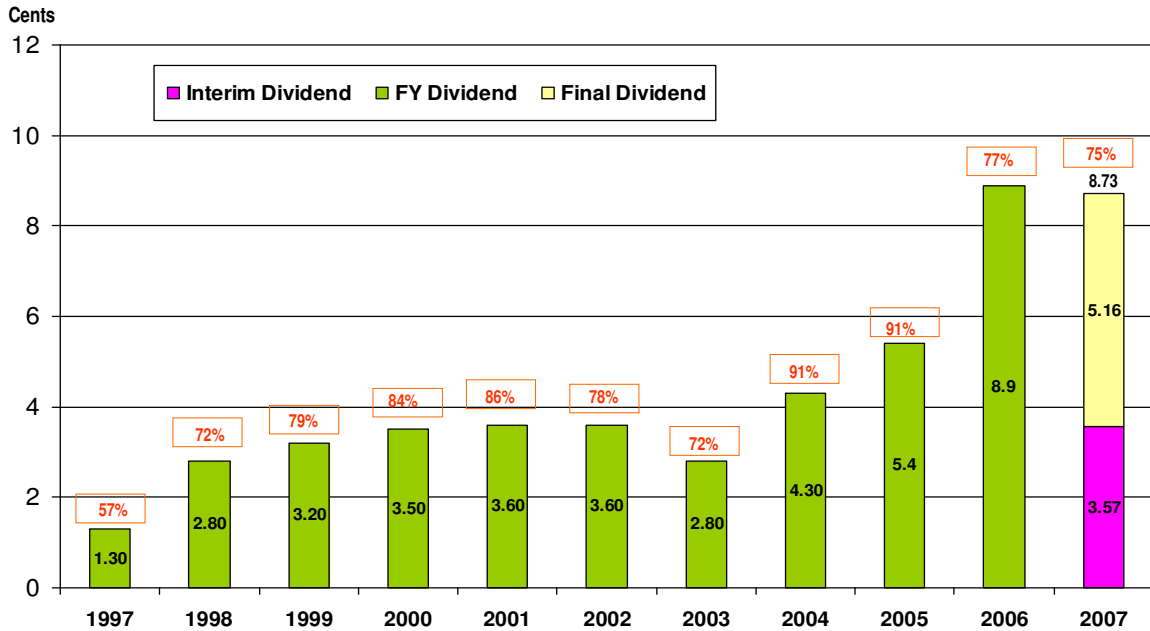
### Effects of Unauthorised Transactions



- Notwithstanding the charge of \$308.2 million in 4Q 2007, PATMI grew by 1% from \$238 million in FY 2006 to \$241 million in FY 2007
- For 4Q 2007, PATMI was \$0.8 million after offsetting the \$308.2 million charge arising from Unauthorised Transactions & related expenses

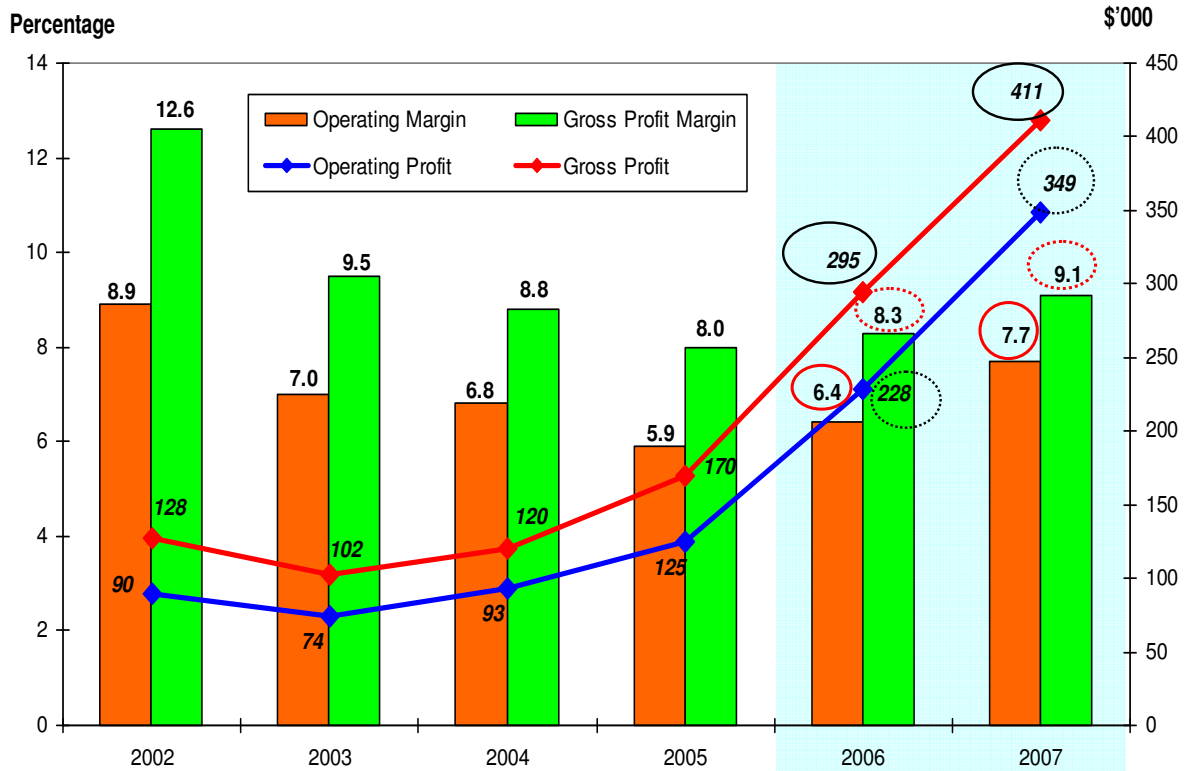
## Our Commitment to Shareholder Value

- One-tier Interim Dividend of 3.57 cents per share (adjustment for 2 to 5 bonus share)
- Final Dividend at 5.16 cents per share
- Total FY 2007 dividend at 8.73 cents per share with dividend payout ratio at 75%



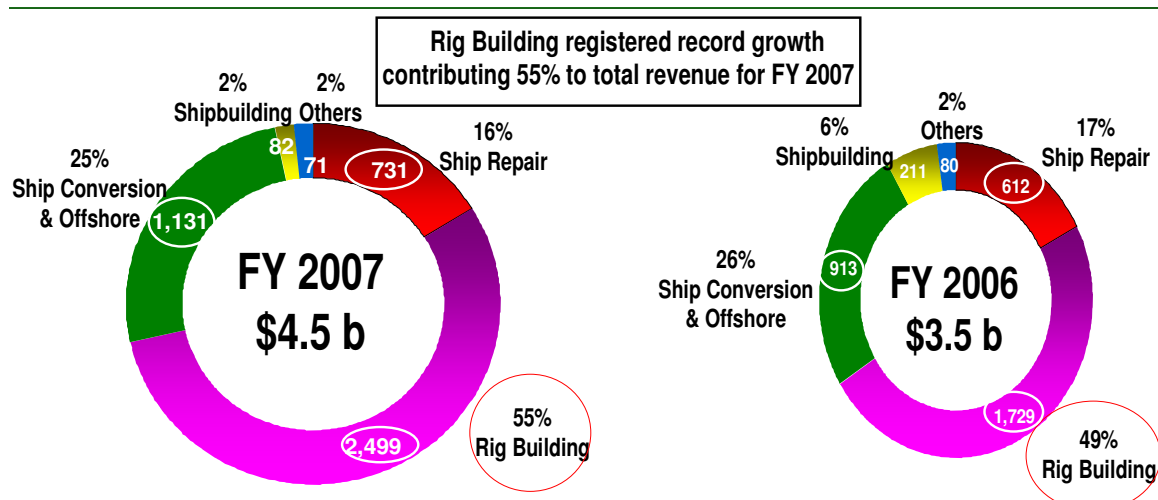
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## Margin Expansion



- Year-on-year margin expansion from FY 2006 to FY 2007
- Operating margin increased from 6.4% in FY 2006 to 7.7% in FY 2007
- Gross profit margin increased from 8.3% to 9.1% in FY 2007
- In dollar terms, operating profit increased from \$228 million in FY 2006 to \$349 million in FY 2007, with gross profit increasing from \$295 million to \$411 million for the corresponding period

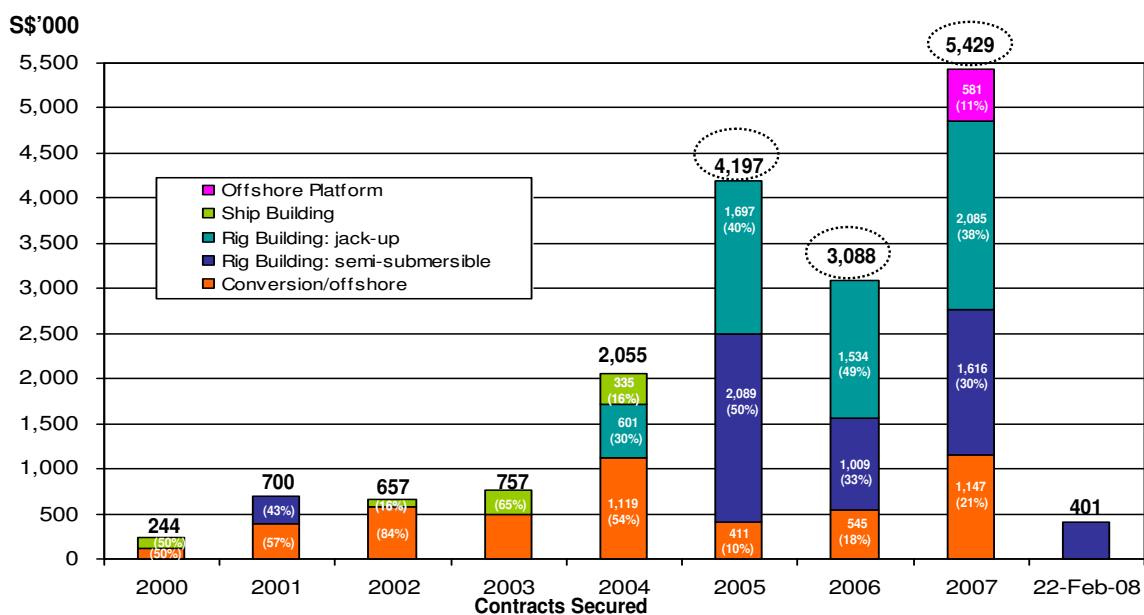
## Revenue Contributions by Sectors (FY2007 vs FY 2006)



Turnover (\$'m)	FY 2007	FY 2006	% Change	4Q 2007	4Q 2006	% Change
Ship repair	731.1	612.1	19.4	195.7	194.9	0.4
Rig building	2,498.9	1,728.9	44.5	736.2	707.0	4.1
Ship Conversion/offshore	1,130.5	913.4	23.8	364.0	371.6	(2.0)
Shipbuilding	81.6	210.6	(61.3)	10.9	50.4	(78.4)
Others	71.0	80.0	(11.2)	29.9	7.6	293.4
<b>TOTAL</b>	<b>4,513.1</b>	<b>3,545.0</b>	<b>27.3</b>	<b>1,336.7</b>	<b>1,331.5</b>	<b>-</b>

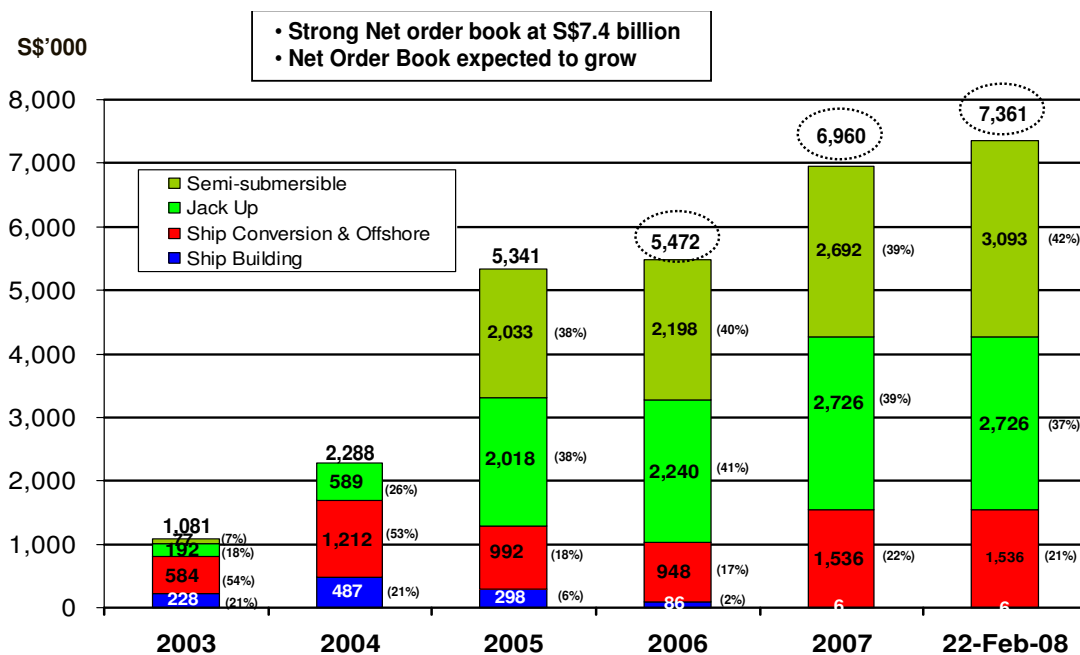
- The Rig Building sector registered the strongest growth at \$2,499 million, contributing 55% to total revenue of \$4.5 billion for FY 2007 as compared with \$1,729 million or 49% of total revenue in FY 2006
- Ship conversion & offshore increased by 24% from \$913.4 million in FY 2006 to \$1,130.5 million in FY 2007
- Ship repair also saw an increase of 19% from \$612.1 million to \$731.1 million for the corresponding year
- Shipbuilding registered a decline from \$210.6 million in FY 2006 to \$81.6 million in FY 2007 due to redeployment of resources for rig building

## Net Order Book



- The Group has a strong net order book of \$7.4 billion as at 22 February 2008 with completion and deliveries till 2011
- Contracts secured in FY 2007 stood at S\$5.4 billion, 76% more than FY 2006
- New contract secured as at 2008 to-date stands at \$401 million (excluding equipment supplied by owner), a semi-submersible unit for Atwood Oceanics Pacific Limited, a wholly-owned subsidiary of Atwood Oceanics, Inc, an International Offshore Drilling Contractor listed on the New York Stock Exchange
- We expect to secure more

## Contracts secured from 2003 to February 2008





## Outlook

***Mr Tan Kwi Kin, Group President and CEO said “2007 was an outstanding year with solid growth in turnover and operational profits.***

***We firmly believe that the amount arising from the Unauthorised Transactions is a ‘one-off charge’. The Group has taken steps to ensure that this will not recur. Looking ahead, we are confident that the Group is poised to grow further.”***

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The fundamentals for the offshore market remain strong, underpinned by a positive growth in the global demand for oil and gas resulting in sustained high oil prices supporting continued exploration and production activities.

High demand for ship repair and dock space booking continues to benefit the Group.

Demand for rig building continues to be strong with demand trending towards deepwater rigs. The positive outlook for the offshore production market will see increasing demand for fixed and floating production systems, including Floating Production Storage and Offloading (FPSO) units.

The Group expects FY 2008 to be a better year than FY 2007 based on the schedule of completion of the projects.

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