



Company Registration Number: 196300098Z

**PRESS RELEASE**

**ANOTHER RECORD QUARTER: 3Q 2008**

- **PATMI increased by 73% to \$140.9 million**
- **Operating Profit grew by 92% to \$142.1 million**

**Financial Highlights**

Description (\$'m)	3Q 2008	3Q 2007	% Change	9M 2008	9M 2007	% Change
Revenue	1,144.2	1,171.1	( 2)	3,446.5	3,176.4	9
Gross Profit	158.6	91.4	74	393.3	252.3	56
EBITDA	160.5	93.2	72	384.1	270.3	42
Operating Profit	142.1	74.1	92	333.1	222.2	50
Pre-tax Profit	180.9	96.4	88	456.8	287.7	59
PATMI	140.9	81.4	73	360.5	240.2	50
EPS, basic (cents)	6.84	3.95	73	17.45	11.70	49

**Singapore, November 4, 2008 :** Sembcorp Marine today reported a strong 3Q 2008 growth with increased earnings of 73% to \$140.9 million. This increase was achieved on a group turnover of \$1,144.2 million.

Group operating profit increased 92% to \$142.1 million in 3Q 2008 from \$74.1 million in 3Q 2007. Group pre-tax profit increased by 88% to \$180.9 million from \$96.4 million in 3Q 2007. The increase is mainly attributable to higher operating margins from rig building and ship repair businesses and better contribution from associated companies.

On a nine-month period basis, Group turnover increased by 9% to \$3,446.5 million from \$3,176.4 million in 9M 2007.

Group operating profit increased by 50% to \$333.1 million in 9M 2008 from \$222.2 million in 9M 2007. Group pre-tax profit increased by 59% to \$456.8 million from \$287.7 million in 9M 2007. The increase is attributable mainly to higher operating margins from the rig building and ship repair businesses and better contribution from associated companies.

Group attributable profit grew by 50% to \$360.5 million from \$240.2 million in 9M 2007.

## **Outlook**

The current global financial outlook and economic conditions are challenging. The Group however has a strong net order book of \$9.9 billion comprising rig building, ship conversion and offshore projects. This includes new orders of \$5.5 billion secured since January 2008. These projects will provide the Group with a solid base-load, and will keep our shipyards busy with progressive completion and deliveries from 4Q 2008 until 2012.

The Group is in a strong net cash and balance sheet position and expects the current year's overall performance to be stronger than FY 2007.

For the future, we expect ship repair demand to remain strong amid global tightness in yard capacity and support from our long-term customers.

Fundamentals for the offshore sector remain intact. In the long term, exploration and production (E&P) activities will continue, in order to replace declining global oil and gas reserves and to increase production.

The replacement of the ageing world rig fleet and the demand for deepwater units should resume when the global financial crisis abates and economic conditions improve.

Although the current financial turmoil has a dampening impact on world economy and global demand for oil, the Group is confident that the long-term fundamentals and outlook for the marine and offshore industry remain positive.

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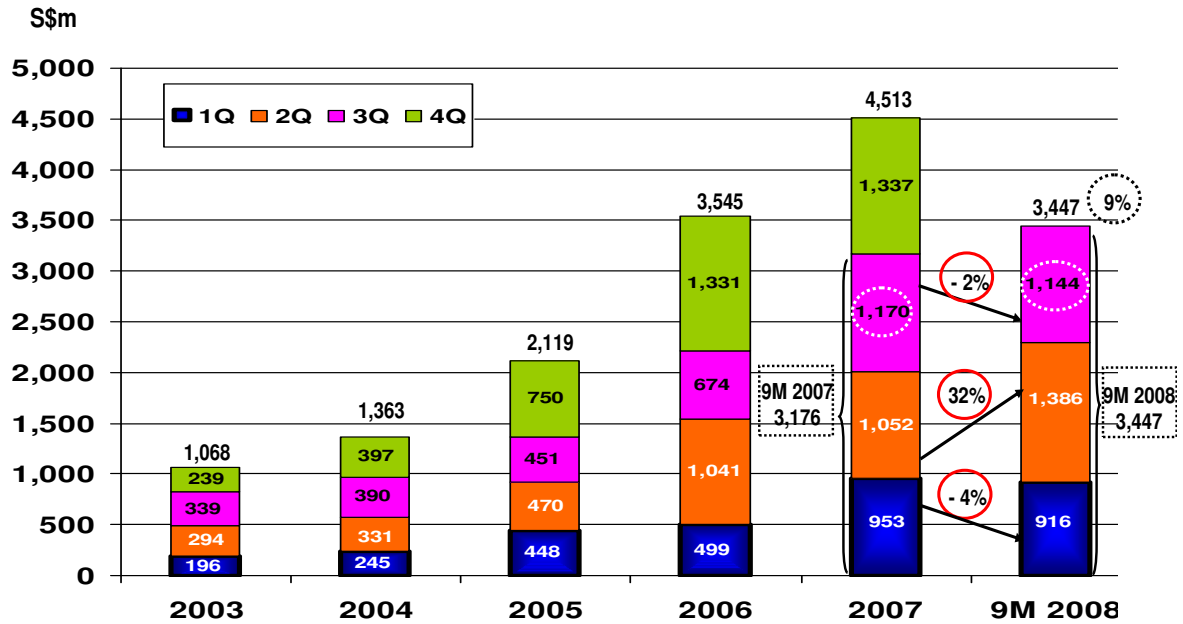
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*This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. The forward-looking statements reflect the current views of Management on future trends and developments.*

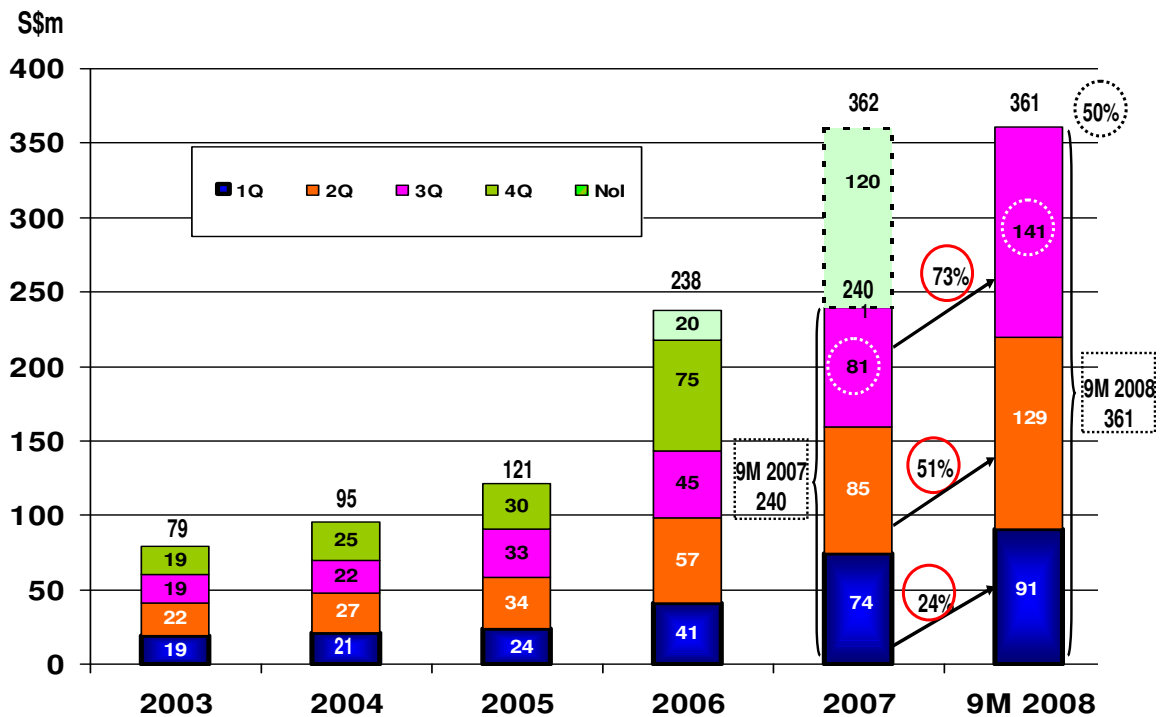
## QUARTERLY REVENUE (2003 TO 9M 2008)

- No major initial revenue recognition in 3Q 2008 except 1 unit jack-up rig
- 9% growth in revenue 9M 2008 versus 9M 2007



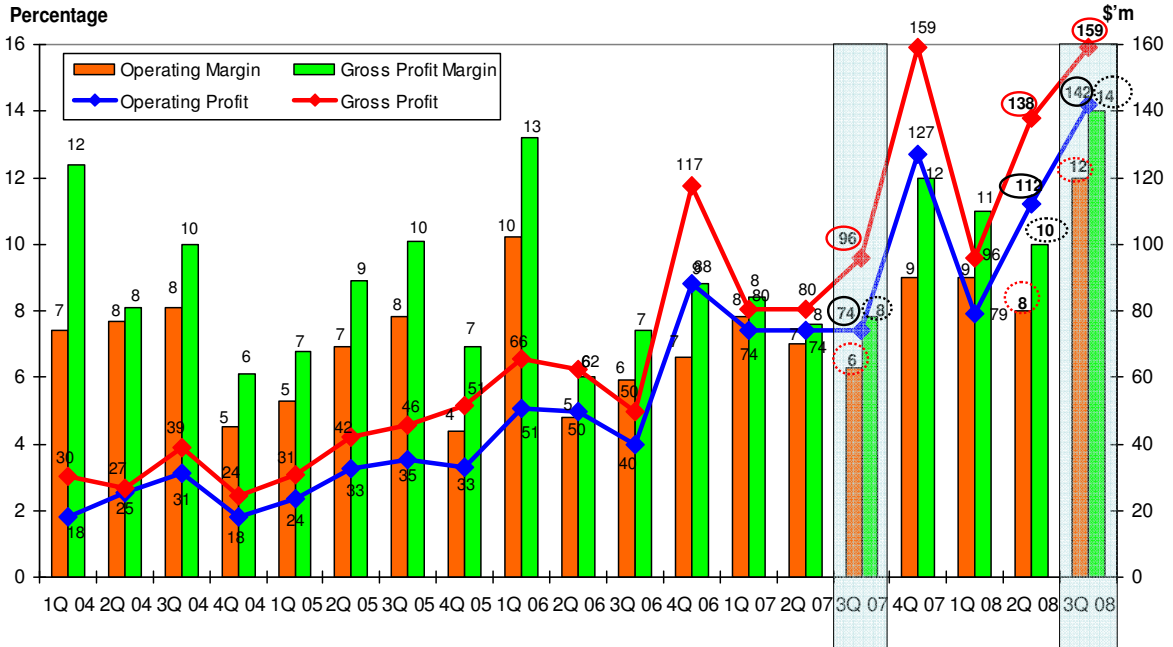
## QUARTERLY PATMI (2003 TO 9M 2008)

- A record 3Q 2008 earnings at \$141 million, the highest quarter recorded
- 9M 2008 PATMI at \$361 million



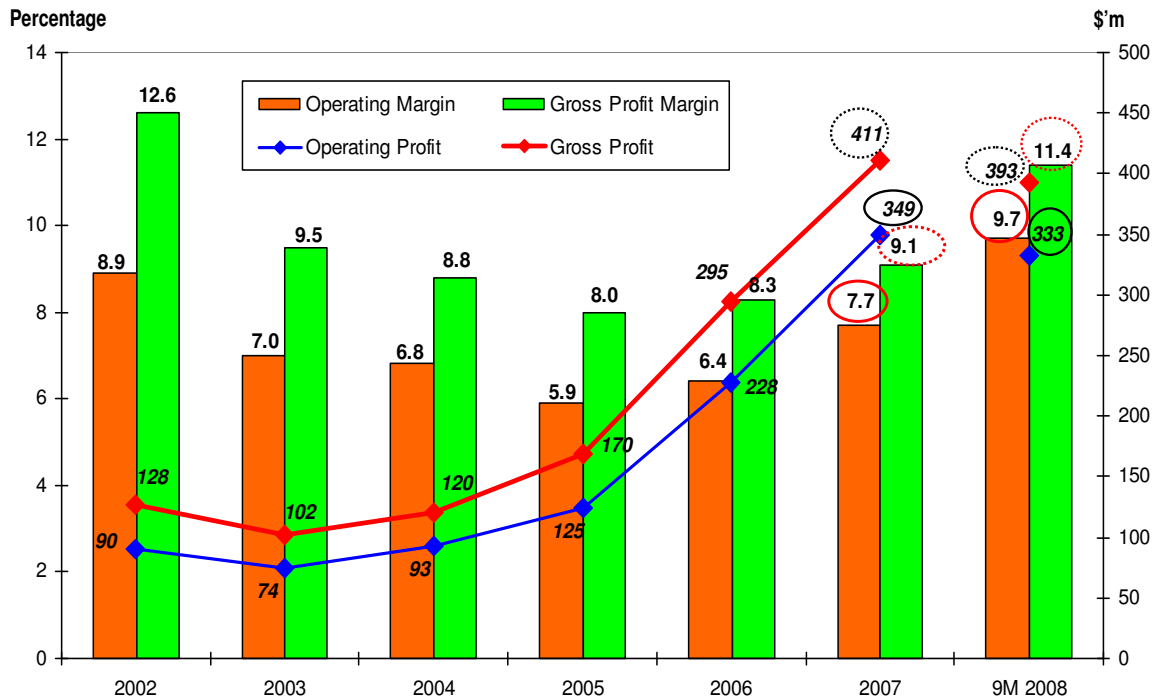
## QUARTERLY OPERATING MARGIN

- Quarter-to-quarter margin dependent on product mix and timing of revenue recognition
- 3Q 2008 margin higher than 2Q 2008
- FY 2008 margin expected to gradually trend upwards



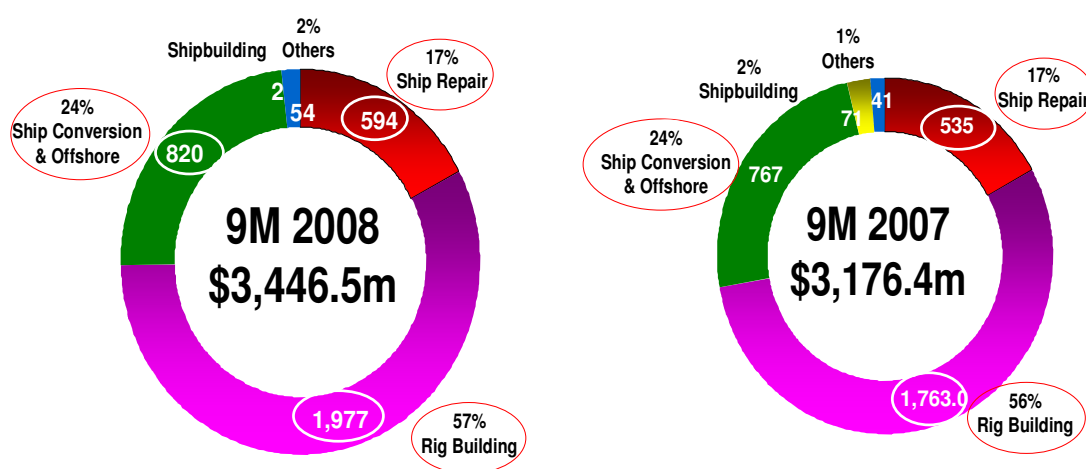
## MARGIN & PROFIT EXPANSION

- Gross & Operating Margin expansion for 9M 2008
- Overall, expected to gradually trend upwards



## BREAKDOWN OF GROUP TURNOVER BY SECTORS

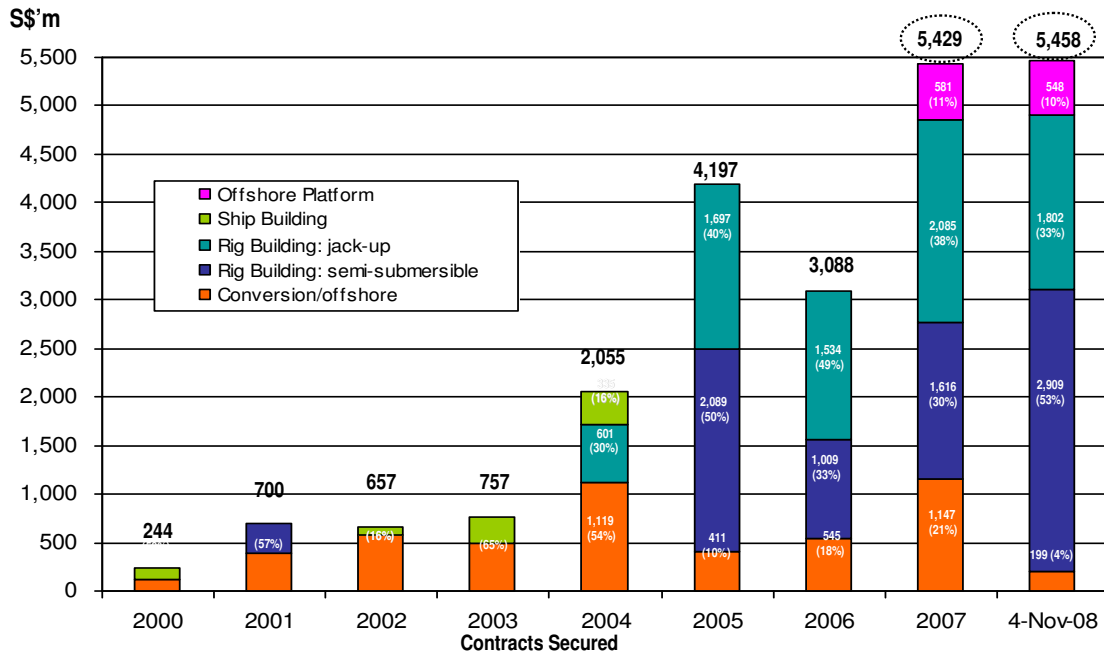
- Rig Building registered highest growth at 12%, accounting for 57% or \$1,977 million to total revenue as at 9M 2008
- Ship repair increased 11% to \$594 million, contributing 17% to total revenue
- Ship conversion & offshore sector registered 7% increase to \$820 million or 24% of total revenue



Revenue (\$m)	3Q 2008	3Q 2007	% Change	9M 2008	9M 2007	% Change
Ship repair	210.7	189.3	11.3	593.6	535.4	10.9
Rig building	631.4	648.6	(2.7)	1,976.8	1,762.6	12.2
Ship Conversion/offshore	285.2	306.2	(6.9)	820.2	766.6	7.0
Shipbuilding	-	14.8	n.m.	2.0	70.7	(97.2)
Others	16.9	12.2	38.5	53.9	41.1	31.1
<b>TOTAL</b>	<b>1,144.2</b>	<b>1,171.1</b>	<b>(2.3)</b>	<b>3,446.5</b>	<b>3,176.4</b>	<b>8.5</b>

## CONTRACTS SECURED TO-DATE (exclude ship repair)

- New orders secured to-date stand at S\$5.5 billion



## NET ORDER BOOK (exclude ship repair)

- Strong net order book at S\$9.9 billion
- Solid base-load, keeping the shipyards busy with progressive completion and deliveries from 4Q 2008 until 2012

