



**sembcorp
marine**

50 YEARS BUILDING A REPUTATION...AND MORE.

Company Registration Number: 196300098Z

PRESS RELEASE

1Q 2013 NET PROFIT INCREASED 5% TO \$119 MILLION

Singapore, May 3, 2013 : Sembcorp Marine today reported a 5% growth in net profit from \$113 million in 1Q 2012 to \$119 million in 1Q 2013. Group turnover for the first quarter of 2013 registered an 11% increase to \$1.1 billion as compared with \$943 million for the corresponding period in 2012. The increase came mainly from higher revenue recognition from rig building activities.

Group operating profit increased by 19% from \$120 million in 1Q 2012 to \$143 million in 1Q 2013. At pre-tax level, Group profit at \$149 million was 4% higher than the \$144 million achieved in the first quarter of last year. The increased contribution which came mainly from the higher operating margins from rig building and ship repair businesses was offset by the lower contribution from an associated company and the absence of interest income received in 1Q 2012 for deferred payment granted to customers.

Financial Highlights

Year	1Q 2013	1Q 2012	% change
Turnover	1,050	943	11
Gross Profit	156	157	(1)
EBITDA	167	141	18
Operating Profit	143	120	19
Pre-tax Profit	149	144	4
Net Profit	119	113	5
EPS, basic (cents)	5.69	5.43	5
NAV (cents)	121.7	116.8*	4

* FY 2012

OUTLOOK

The Group has a strong net order book of \$13.6 billion with completion and deliveries stretching till 2019. This includes \$1.7 billion in rig orders and offshore platform contracts secured since the start of 2013. The Group remains focused on operational efficiency, productivity improvements, safety management and the timely deliveries of orders to our customers.

The fundamentals driving the marine and offshore industry remain intact underpinned by healthy oil prices and projected increases in offshore exploration and production (E&P) spending. Demand for rigs is expected to remain strong given the ageing rig fleet and the increasing focus by oil companies for new, safer and more efficient rigs, in particular high specification rigs capable of operating in harsh and deepwater environment.

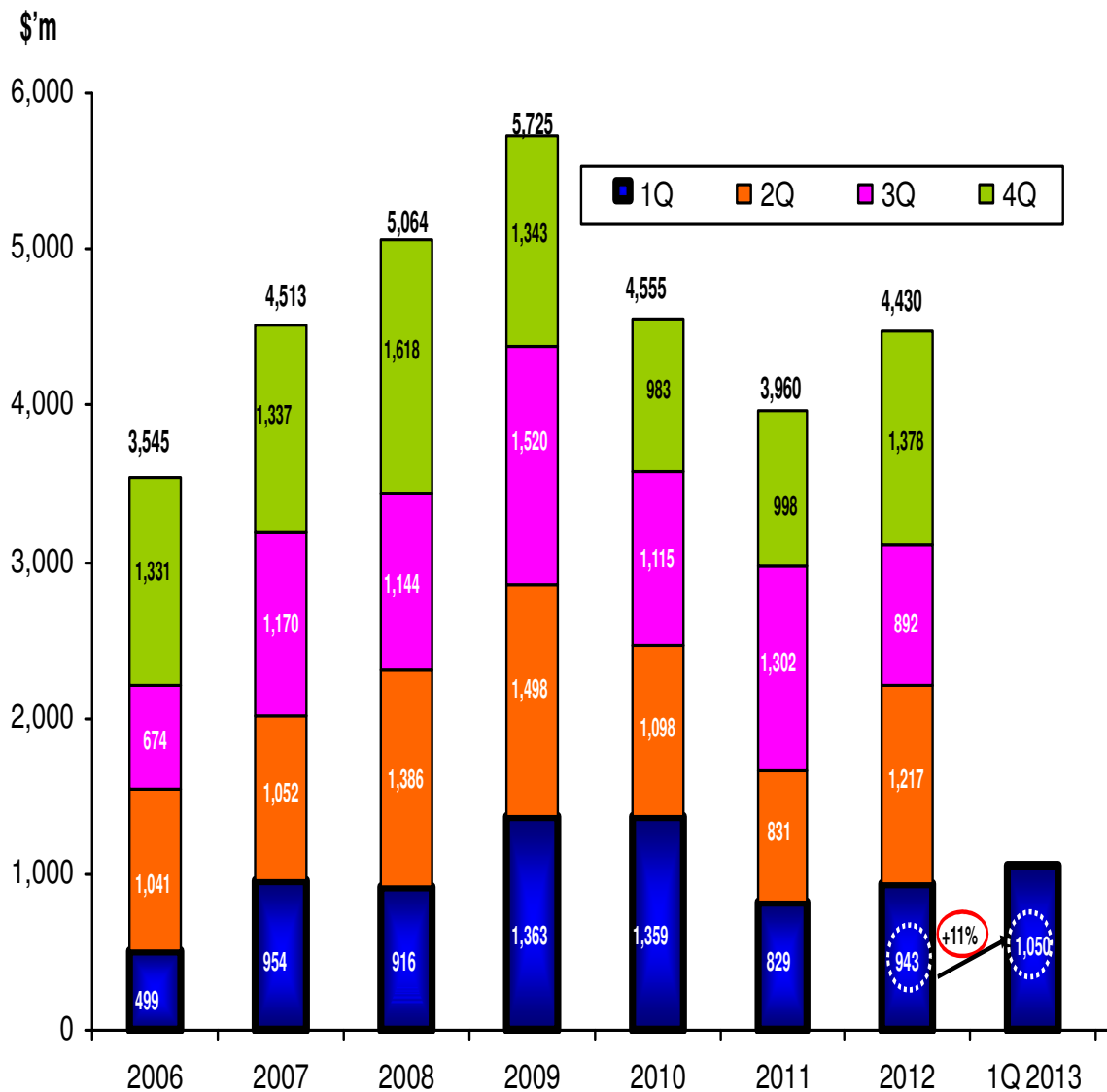
For ship repair, there is continued demand for upgrading and life extension work for LNG carriers as well as repair and upgrading work for cruise ships and offshore vessels. Demand for the Group's big docks remains strong.

Overall, enquiries remain healthy across the Group's diverse business segments of ship repair, ship conversion & offshore platforms and rig building. However, competition is intense and impacts margin.

For media and analysts' enquiries, please contact:

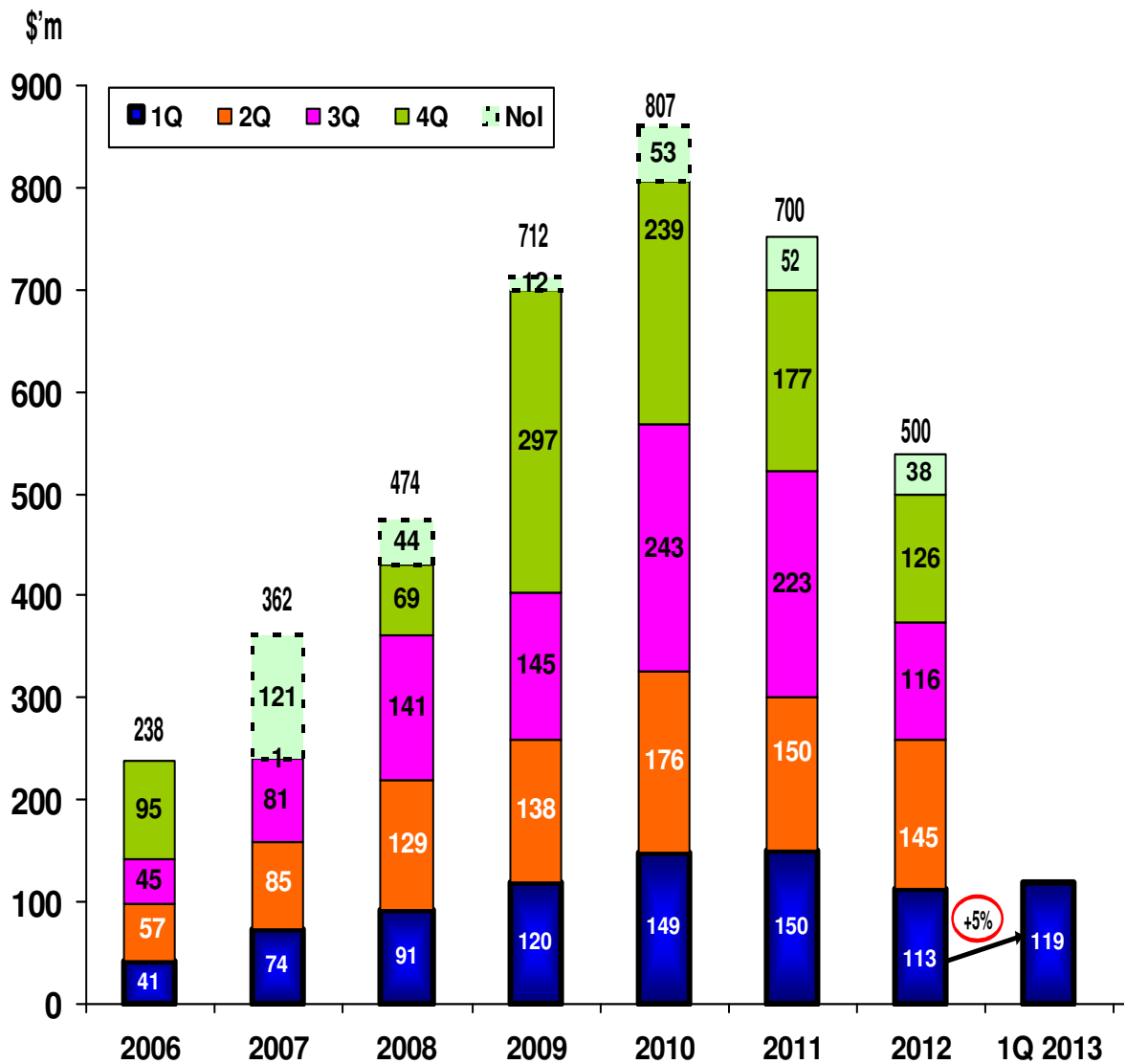
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QUARTERLY TURNOVER (2006 TO 1Q 2013)



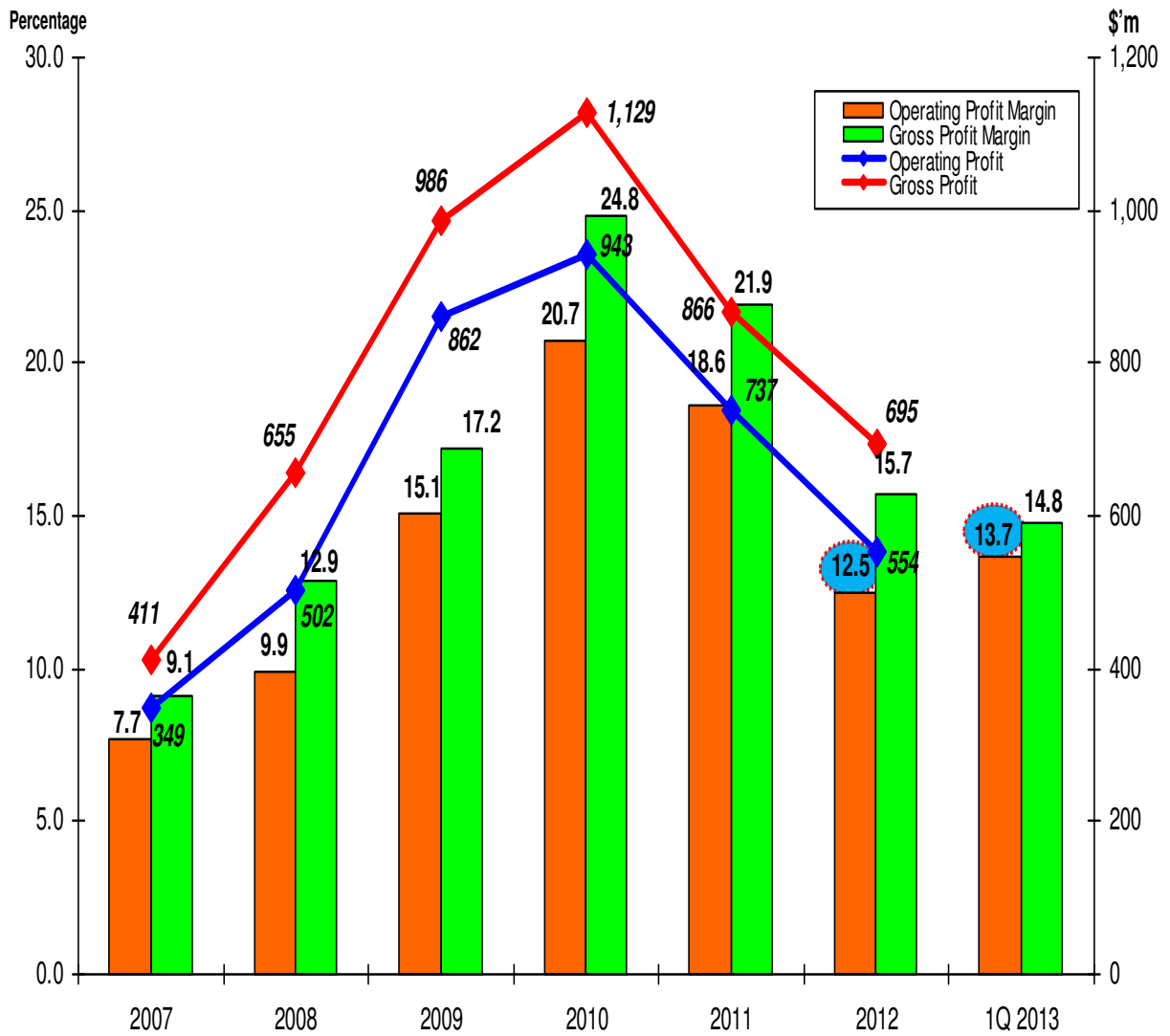
- Group turnover increased 11% from \$943 million in 1Q 2012 to \$1.1 billion in 1Q 2013
- The higher turnover was attributable to higher ship repair and rig building activities in 1Q 2013 as compared with the corresponding period in 2012

QUARTERLY NET PROFIT (2006 TO 1Q 2013)



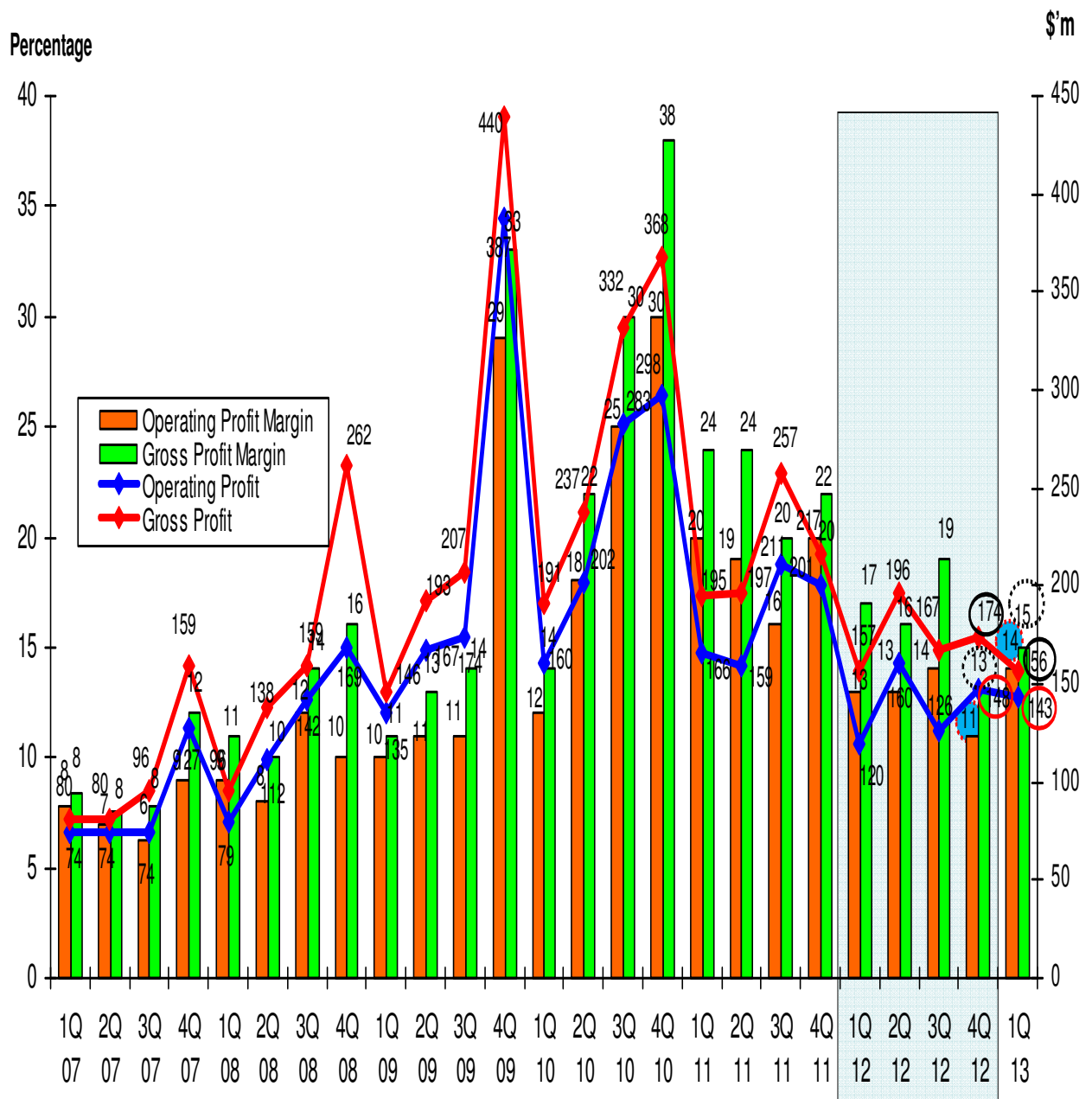
- Net profit grew 5% from \$113 million in 1Q 2012 to \$119 million for the corresponding period in 2013

OPERATING MARGIN & OPERATING PROFIT



- On a yearly basis, operating profit margin in 2012 was 12.5%
- As at 1Q 2013, it improved to 13.7%

QUARTERLY OPERATING MARGIN



- Quarterly margin is dependent on the product/business mix and value, type of design of rig (new or repeated) and timing in recognition of projects, in particular in the ship conversion & offshore and the rig building sectors
- Operating margin improved from 10.8% in 4Q 2012 to 13.7% in 1Q 2013

PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

Year Description (\$'m)	1Q 2013	1Q 2012	% change
Cosco Shipyard Group	4.2	11.8	(64)
Pacific Workboats	2.0	1.8	11
Others	-	0.1	n.m.
Share of Associates & JVs' Results	6.2	13.7	(55)

n.m. : not meaningful

- Contributions from Associates and JVs declined 55% due mainly to lower contribution from Cosco Shipyard Group Co. Ltd by 64%

POSITIVE CASHFLOW

Year Description (\$'m)	1Q 2013	1Q 2012	% change
Cashflow from operation before working capital changes	172.5	143.2	20
Net cash inflow/outflow from operating activities	252.4	(41.2)	n.m.
Net cash outflow from investing activities	(96.2)	(105.6)	(9)
Net cash inflow from financing activities	88.8	1.4	6125
Cash & cash equivalents	1,657.3	1,837.8	(10)
Net Cash (net of borrowings)	1,223.6	1,803.7	(32)
<i>Progress Billing > WIP</i>	907.1	429.1	111

- Net cash position continues to remain healthy at \$1.2 billion

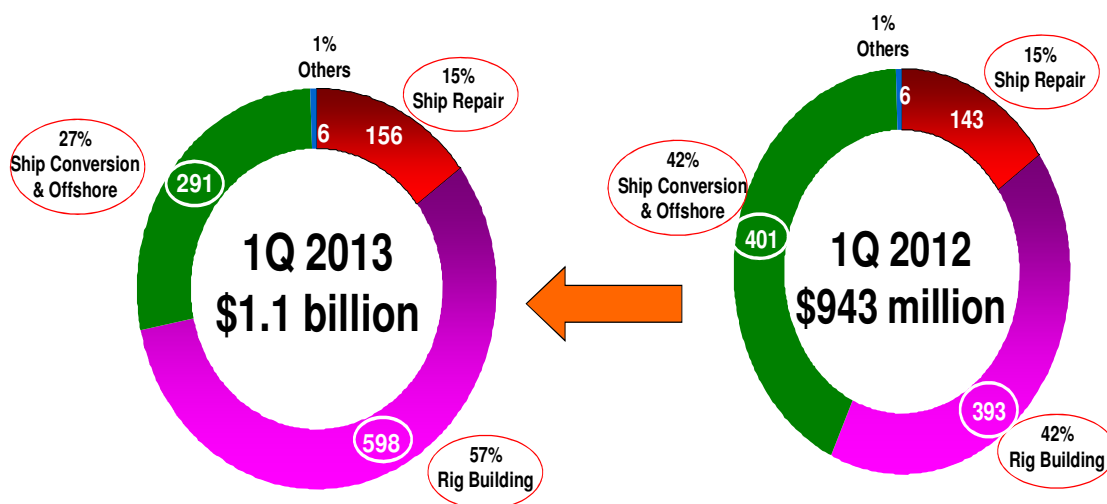
CAPITAL, GEARING AND ROE

Description (\$'m) \ Year	1Q 2013	1Q 2012	% change	FY 2012	% change
Shareholders' Funds	2,542.2	2,572.7	(1)	2,438.5	4
Net Cash	1,223.6	1,803.7	(32)	1,075.9	14
ROE - annualised (%)	19.1	18.1	6	22.2	(14)
Net Asset Value (cents)	121.7	123.2	(1)	116.8	4
RoTA – annualised (%)	8.0	9.0	(11)	9.9	(19)
Economic Value Added	72.2	64.2	12	383.6	(81)

- ROE (annualised) at 19.1%
- Economic Value Added (EVA) increased 12% to \$72.2 million as compared with \$64.2 million in 1Q 2012
- The Group will continue to strive towards delivering credible performance and value creation to shareholders

REVENUE CONTRIBUTIONS BY SECTORS (1Q 2012 vs 1Q 2013)

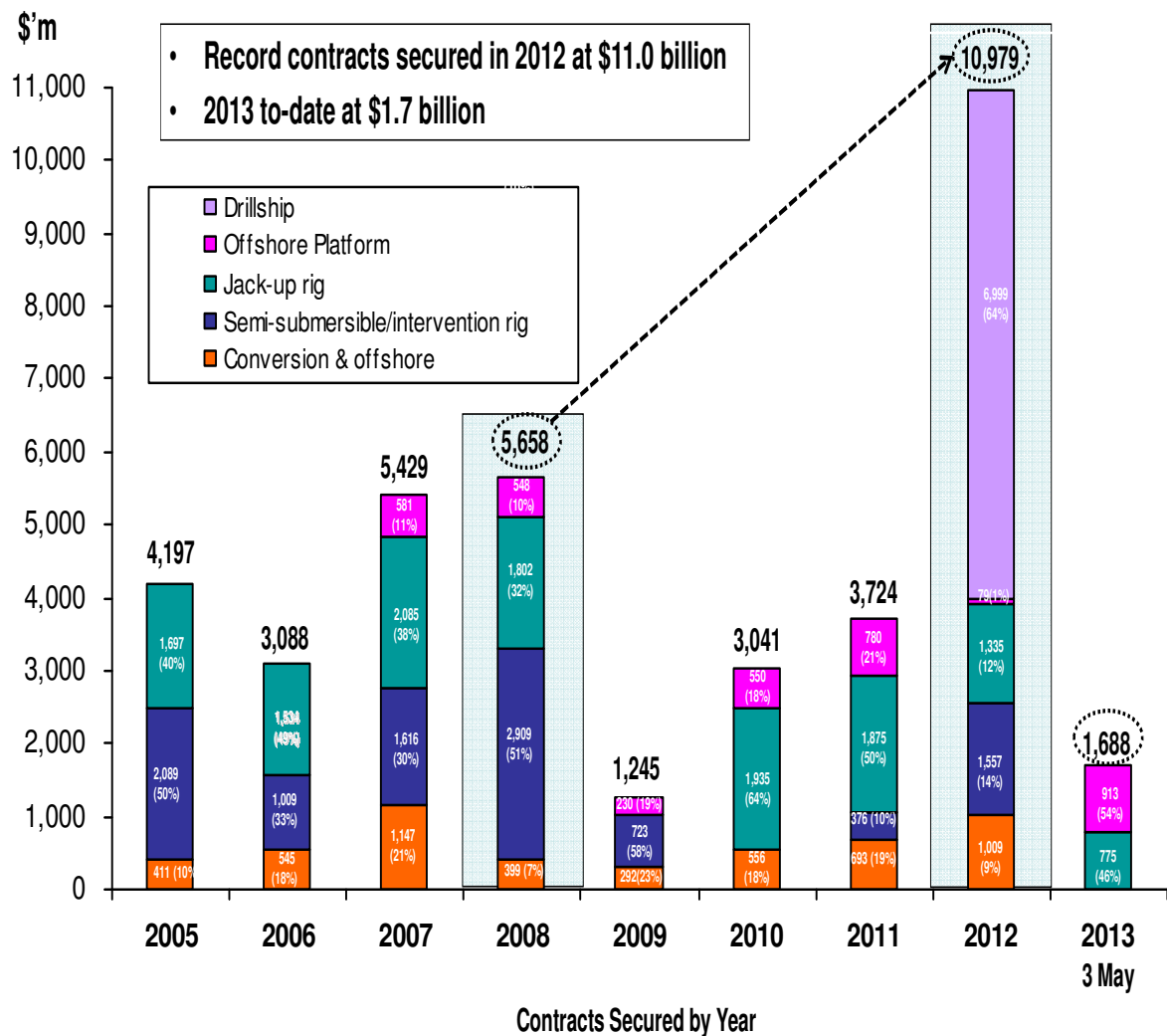
By Value & Percentage Contributions



Turnover (S\$m)	1Q 2013	1Q 2012	% Change
Ship repair	156	143	9
Rig building	598	393	52
Ship conversion & offshore	291	401	(27)
Others	6	6	(2)
TOTAL	1,050	943	11

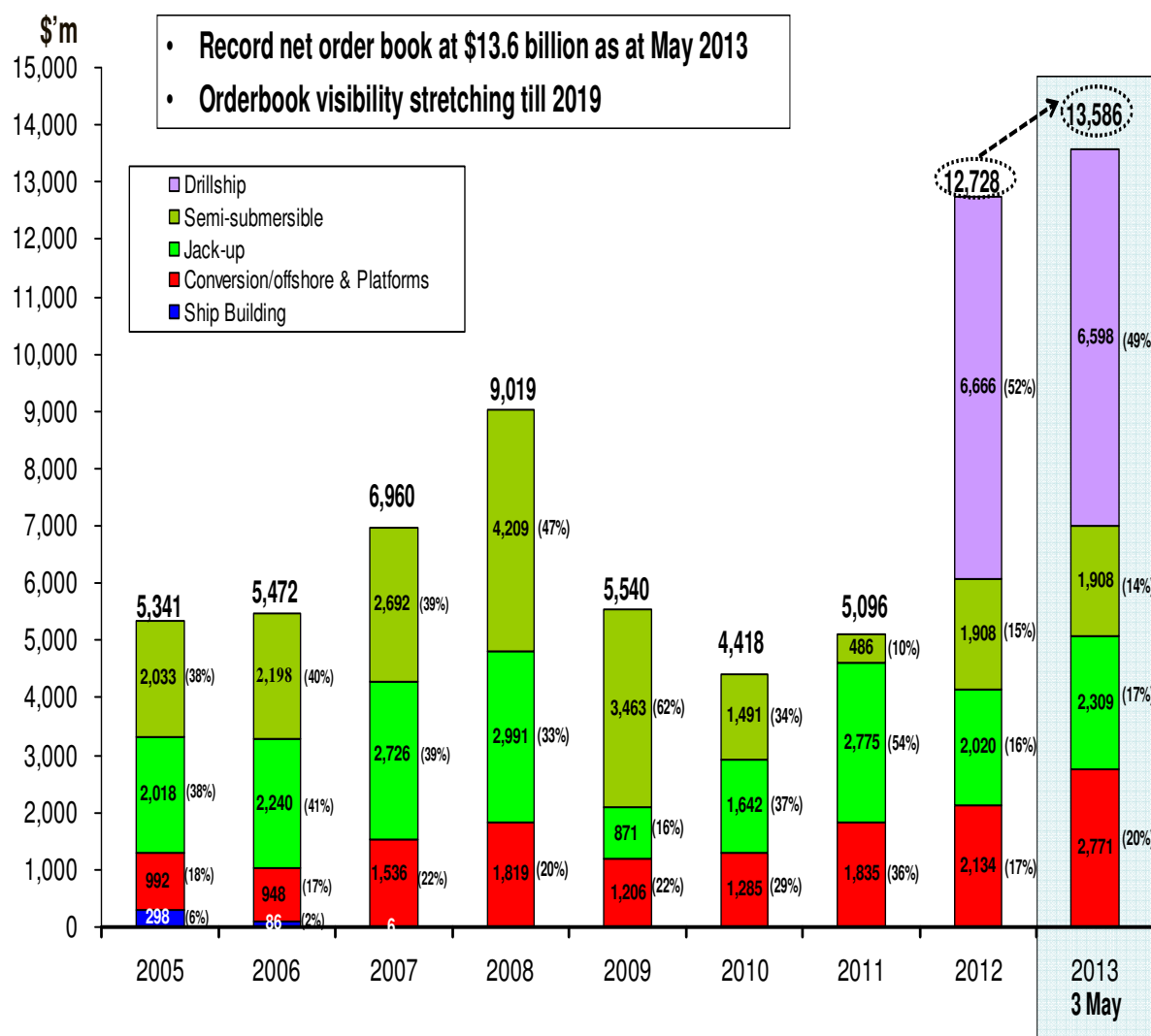
- Two core businesses grew in the first quarter of 2013 with Group revenue increasing 11% from \$943 million to \$1,050 million.
- Rig building was the largest sector, accounting for 57% of total revenue followed by ship conversion & offshore at 27%, ship repair at 15% and others at 1%
- The rig building sector registered the highest growth at 52% from \$393 million in 1Q 2012 to \$598 million in 1Q 2013
- The ship conversion & offshore sector registered a 27% decline in revenue attributable to lower revenue recognition from this sector in 1Q 2013 as compared with the same period in 2012
- Ship repair registered a growth of 9% from \$143 million to \$156 million in 1Q 2013

CONTRACTS SECURED BY YEAR



- Contracts secured to-date in 2013 stand at \$1.7 billion
- A total of three jack-up rigs worth a total of US\$625 million and a offshore platform integrated topside at S\$900 million were secured in 1Q 2013
- All three jack-up rigs secured were based on the repeat proprietary Pacific Class 400 (PC400) jack-up rig design and they constitute the 10th, 11th and 12th PC400 jack up rigs on order
- Of the 12 PC400 jack-up rigs secured since 4Q 2010, 6 units have been delivered on or ahead of schedule to-date
- We expect to build up our order book

NET ORDER BOOK



- Net order book to-date stands at a record high of \$13.6 billion with deliveries and completion stretching till 2019
- Going forward, the Group expects to grow its order book

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.