



SembCorp Industries

1Q2006 Results

May 8, 2006



CEO'S REPORT

By Tang Kin Fei
Group President & CEO
SembCorp Industries

- **Solid performance in 1Q2006**
 - PATMI of \$481.9m, up 566%
 - PATMI before EI of \$83.6m, up 42%
 - Turnover of \$1.9bn
- **Healthy balance sheet maintained**
 - Net gearing at 0.04x
 - Interest cover at 15 times
- **EVA up from \$43.2m in 1Q05 to \$451.0m in 1Q06**

- **Business Update**
 - **Utilities**
 - Growth from UK and Vietnam operations
 - Turnaround in Offshore Engineering
 - Weak performance from China operations
 - **Marine**
 - Strong performance by all business segments, led by rig building
 - Substantial orderbook of \$6.8bn, with completions and deliveries until end-2009

- **Business Update**

- **Enviro**

- Orderbook at \$625.6m
- Focus on Pre-Disposal Treatment and Waste-to-Resource
- Established Jiangsu SembCorp Chunxing, a 50:50 joint venture to capitalise on the growing demand in China for recycled lead

- **Engineering & Construction**

- Continued focus on process engineering projects
- Business environment remains competitive

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- **Settlement of *Solitaire* arbitration**

- Settled the *Solitaire case* for €350m
- \$65m charge taken in 1Q2006

- **Sharpened focus, rewarding shareholders**

- Completed the divestment of entire 60.01% stake in SembCorp Logistics on April 3, 2006
- Net gain of \$463 million based on offer price of \$1.80 per SembLog share
- Proposed capital distribution of 15 cents per share (tax free) subject to shareholders' and Court approval
- Total payout is approximately \$264m* or 57% of gain from divestment

*Based on issued share capital as at March 31, 2006

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FINANCIAL REVIEW

By Lim Joke Mui
Group CFO
SembCorp Industries

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Group Profit & Loss

\$M	1Q06	1Q05	▲ %
Turnover	1,856	1,855	0
EBITDA	583	159	266
PBT	548	115	378
PATMI before EI	84	59	42
PATMI	482	72	566
EPS before EI (cents)	4.8	3.2	49
EPS after EI (cents)	27.6	4.0	597

Solid bottom-line growth

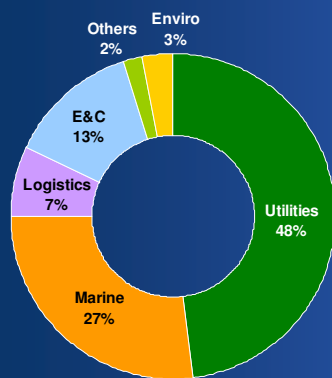
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Group Turnover

\$M	1Q06	1Q05	▲ %
Utilities*	888	683	30
Marine	496	441	13
Logistics	133	138	(4)
Enviro	55	52	4
E&C	242	499	(52)
Others / Corporate	42	42	0
Total	1,856	1,855	0
*Note:			
Utilities (excluding Offshore Engineering)	832	616	35
Offshore Engineering	56	67	(17)

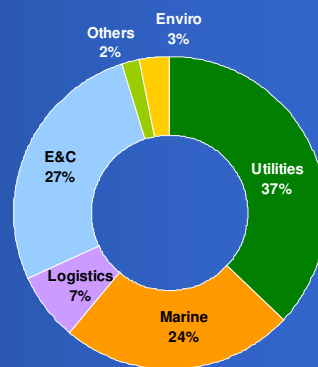
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Turnover (%) by Businesses



1Q06

Total Turnover - \$1.9bn



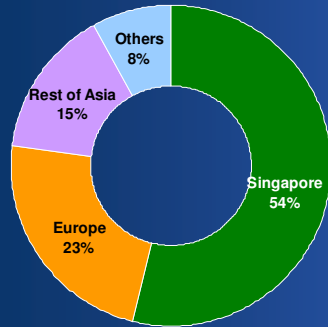
1Q05

Total Turnover - \$1.9bn

Utilities & Marine contribute to 75% of Group Turnover

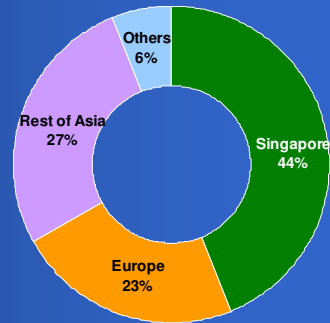
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Turnover (%) by Geographical Areas*



1Q06

Total Turnover - \$1.9bn



1Q05

Total Turnover - \$1.9bn

*Based on geographical location of customers

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Contribution to PATMI

\$M	1Q06	1Q05	▲ %
Utilities	45.3	34.6	31
Marine	25.1	14.8	70
Logistics	7.9	9.3	(14)
Enviro	3.9	3.9	0
E&C	0.1	1.2	(91)
Others / Corporate	1.3	(5.0)	NM
PATMI before EI	83.6	58.8	42
Exceptional Items	398.3	13.5	2,842
PATMI	481.9	72.3	566

*Note:

Utilities (excluding Offshore Engineering)	41.8	47.9	(13)
Offshore Engineering	3.5	(13.3)	126

Strong PATMI growth for Utilities and Marine

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Exceptional Items

\$M	1Q06
Gain on divestment of Logistics	463.3
Additional charge arising from final settlement on Solitaire	<u>(65.0)</u>
Net Exceptional Items	<u>398.3</u>

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Group Capex

\$M	1Q06
Fixed Assets Items	
Utilities	57.9
Marine	8.0
Logistics	3.8
Enviro	3.6
E&C	0.6
Others	<u>2.2</u>
Total	<u>76.1</u>

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Group Cash Flow

\$M	1Q06	1Q05
CASH FLOW FROM OPERATING ACTIVITIES		
- Before changes in working capital	188	138
- Changes in working capital	(72)	275
- Tax paid	(1)	(2)
	<u>115</u>	<u>411</u>
CASH FLOW FROM INVESTING ACTIVITIES		
- Net cash outflow on disposal of SembLog	(347)	0
- Divestment proceeds and sale of fixed assets	3	50
- Acquisitions (including investments)	0	(54)
- Acquisitions of fixed assets	(84)	(40)
- Others	8	13
	<u>(420)</u>	<u>(31)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
- Issue of shares by SCI / subsidiaries	22	20
- Repayment of loans and interest	(8)	(599)
- Others (including dividend paid)	(2)	(388)
	<u>12</u>	<u>(967)</u>
NET OUTFLOW DURING THE PERIOD	<u>(293)*</u>	<u>(587)</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	940	1,515

*Net outflow per cash flow statement	(293)
Adjusted for proceeds from divestment of SembLog assuming received in March 2006	<u>793</u>
Adjusted net cash inflow	500

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Group Borrowings

\$M	Mar 31, 2006	Dec 31, 2005
PF loans	395	399
Long-term	524	546
Short-term	143	161
Gross	<u>1,062</u>	<u>1,106</u>
Less: Cash & FD	(942)	(1,231)
Net Debt / (Cash)	<u>120</u>	<u>(125)</u>
Net Cash (excl. PF*)	(105)	(394)
Net Gearing Ratio		
- include PF*	0.04	Net Cash
- exclude PF*	Net Cash	Net Cash

* PF - Non-recourse project financing

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Financial Indicators

	1Q06 (Annualised)	FY05
Before EI		
EPS (cents)	17.8	15.7
ROE (%)	14.3	14.2
ROTA (%)	6.4	5.2
After EI		
EPS (cents)	40.5	17.1
ROE (%)	29.9	15.3
ROTA (%)	11.4	6.1

Financial ratios improved

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Financial Indicators

	Mar 31, 2006	Dec 31, 2005
NAV per share (\$)	1.44	1.14
NTA per share (\$)	1.35	1.06
Interest Cover (times) - excl. EI	15	12
Interest Cover (times) - incl. EI	47	12

*PF - Non-recourse project financing

Maintaining healthy balance sheet

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- The Group's overall performance for 2006 is expected to be better than that of 2005.

This presentation contains 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, availability and cost of fuel and materials, cost of capital and capital availability, competition from other companies and ventures for the 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, directives and changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events and impact on the Group.

Thank You



SembCorp
Industries

APPENDIX

Group Orderbook

(\$M)

	As at Mar 31, 2006
Utilities (SMOE)	284
Marine	6,823
Enviro	626
Engineering & Construction	2,073
TOTAL	9,806

Note: Excludes long-term contracts