



SEMBCORP INDUSTRIES LTD & ITS SUBSIDIARIES
Registration Number: 199802418D

FIRST QUARTER 2006 FINANCIAL STATEMENT & DIVIDEND ANNOUNCEMENT

TABLE OF CONTENTS

<u>Item No</u>	<u>Description</u>	<u>Page</u>
	FINANCIAL STATEMENT & DIVIDEND ANNOUNCEMENT	1 – 16
1	GROUP PROFIT AND LOSS STATEMENT	1 – 2
2	BALANCE SHEETS	3 – 4
3	CONSOLIDATED CASH FLOW STATEMENT	5 – 6
4	STATEMENTS OF CHANGES IN EQUITY	7 – 8
5	AUDIT	8
6	AUDITORS' REPORT	8
7	ACCOUNTING POLICIES	9
8	CHANGES IN ACCOUNTING POLICIES	9
9	REVIEW OF GROUP PERFORMANCE	9 – 10
10	VARIANCE FROM PROSPECT STATEMENT	11
11	PROSPECTS	11
12	DIVIDEND / CAPITAL DISTRIBUTION	12
13	SEGMENTAL REPORTING	13 – 15
14	INTERESTED PERSON TRANSACTIONS	16

SEMBCORP INDUSTRIES LTD & ITS SUBSIDIARIES

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2006

The Board of Directors of SembCorp Industries Ltd wishes to announce the unaudited results of the Group for the first quarter ended March 31, 2006.

1. GROUP PROFIT AND LOSS STATEMENT

	1Q06 \$'000	1Q05 \$'000	+ / (-) %
Turnover	1,856,202	1,854,874	0.1
Cost of sales	(1,646,990)	(1,698,975)	(3.1)
Gross profit	209,212	155,899	34.2
General & administrative expenses	(75,061)	(70,334)	6.7
Non-operating income (net)	4,531	12,205	(62.9)
Finance costs	(12,459)	(19,859)	(37.3)
Share of results of:			
- Associates	15,242	10,453	45.8
- Joint ventures	8,195	9,735	(15.8)
Profit before income tax expense and exceptional items	149,660	98,099	52.6
Exceptional items (See note 1b)	398,316	16,600	2,299.5
Profit before income tax expense	547,976	114,699	377.8
Income tax expense	(33,062)	(16,432)	101.2
Profit for the period	514,914	98,267	424.0
Attributable to:			
Shareholders of the Company			
Net profit before exceptional items	83,594	58,790	42.2
Exceptional items	398,316	13,540	2,841.8
	481,910	72,330	566.3
Minority interests	33,004	25,937	27.2
	514,914	98,267	424.0
Earnings per ordinary shares (cents)			
Before exceptional items			
-basic	4.78	3.21	48.9
-diluted	4.73	3.19	48.3
After exceptional items			
-basic	27.55	3.95	597.5
-diluted	27.30	3.93	594.7

Notes to Group Profit and Loss Statement:

1a. Profit before income tax expense and exceptional items is arrived at after (charging)/crediting the following significant items:

	GROUP	
	1Q06 \$'000	1Q05 \$'000
Depreciation and amortisation	(45,667)	(44,951)
Allowance made for doubtful debts & bad debts written off (net)	(34)	(2,022)
Allowance (made)/written back for impairment in value of assets (net)	(6,106)	3
Share based payment expenses	(5,979)	(2,293)
Interest income	8,602	8,673
Other income	10,562	6,273
Gain on disposal of investments	973	1,157
Foreign exchange loss	<u>(8,949)</u>	<u>(3,548)</u>

1b. Exceptional items comprise:

Gain on disposals of subsidiary / associates	463,316	16,600
Additional charge arising from final settlement on Solitaire	(65,000)	-
	<u>398,316</u>	<u>16,600</u>
Less: Minority Interests	-	(3,060)
Net exceptional items	<u>398,316</u>	<u>13,540</u>

1c. Taxation

The Group's tax charge for 1Q06 included Group Tax Relief of \$12,000 (1Q05: \$2,704,000); and write-back of over provision of tax in respect of prior years of \$255,000 (1Q05: \$2,697,000).

1e. Earnings per ordinary share

	1Q06	1Q05	+ / (-) %
Earnings per ordinary share of the Group based on net profit attributable to the shareholders of the Company:			
(i) Based on the weighted average number of shares (in cents)			
(a) Before exceptional items	4.78	3.21	48.9
(b) After exceptional items	27.55	3.95	597.5
- Weighted average number of shares (in million)	1,749.4	1,829.6	(4.4)
(ii) On a fully diluted basis (in cents)			
(a) Before exceptional items	4.73	3.19	48.3
(b) After exceptional items	27.30	3.93	594.7
- Adjusted weighted average number of shares (in million)	1,765.5	1,840.9	(4.1)

2. BALANCE SHEETS

	GROUP		COMPANY	
	As at 31/03/2006 \$000	As at 31/12/2005 \$000	As at 31/03/2006 \$000	As at 31/12/2005 \$000
Equity attributable to shareholders of the Company:-				
Share Capital	758,601	436,603	758,601	436,603
Other reserves	446,762	419,286	2,598	316,062
Accumulated profits	1,309,958	1,143,729	560,753	542,643
	<u>2,515,321</u>	<u>1,999,618</u>	<u>1,321,952</u>	<u>1,295,308</u>
Minority interests				
Total equity	<u>3,138,997</u>	<u>2,844,659</u>	<u>1,321,952</u>	<u>1,295,308</u>
Non-current assets				
Property, plant & equipment	2,600,022	2,627,380	1,137	997
Investments in subsidiaries	-	-	1,518,124	2,275,587
Interests in associates	224,324	294,755	-	-
Interests in joint ventures	383,123	431,711	-	-
Other financial assets	113,956	121,373	-	-
Long term receivables and prepayments	101,109	146,152	-	-
Intangible assets	142,411	150,765	90	90
Deferred tax assets	20,688	26,285	-	-
	<u>3,585,633</u>	<u>3,798,421</u>	<u>1,519,351</u>	<u>2,276,674</u>
Current assets				
Inventories and work-in-progress	1,196,974	863,612	-	-
Trade and other receivables	2,195,179	1,373,647	885,362	84,808
Asset held for sale	-	52,230	-	-
Bank balances, fixed deposits and cash	942,448	1,231,281	10,129	10,503
	<u>4,334,601</u>	<u>3,520,770</u>	<u>895,491</u>	<u>95,311</u>
Current liabilities				
Trade and other payables	2,871,413	1,926,504	941,120	924,454
Excess of progress billings over work-in-progress	385,793	389,837	-	-
Provisions	22,263	639,900	-	-
Employee benefits	6,475	6,089	1,575	2,028
Current tax payable	114,529	104,683	-	-
Interest-bearing borrowings	138,174	149,383	-	-
	<u>3,538,647</u>	<u>3,216,396</u>	<u>942,695</u>	<u>926,482</u>
Net current assets/(liabilities)	<u>795,954</u>	<u>304,374</u>	<u>(47,204)</u>	<u>(831,171)</u>
	<u>4,381,587</u>	<u>4,102,795</u>	<u>1,472,147</u>	<u>1,445,503</u>
Non-current liabilities				
Deferred tax liabilities	225,658	220,095	195	195
Provisions	4,916	8,977	-	-
Employee benefits	40,418	42,035	-	-
Interest-bearing borrowings	892,130	908,686	150,000	150,000
Other long-term liabilities	79,468	78,343	-	-
	<u>1,242,590</u>	<u>1,258,136</u>	<u>150,195</u>	<u>150,195</u>
	<u>3,138,997</u>	<u>2,844,659</u>	<u>1,321,952</u>	<u>1,295,308</u>

Notes to Group Balance Sheets:

2a. Group's borrowings and debt securities

	As at 31/3/2006 \$'000	As at 31/12/2005 \$'000
(i) <u>Amount repayable in one year or less, or on demand</u>		
Secured	24,117	44,238
Unsecured	<u>137,562</u>	<u>140,838</u>
	<u>161,679</u>	<u>185,076</u>
(ii) <u>Amount repayable after one year</u>		
Secured	391,130	393,568
Unsecured	<u>509,665</u>	<u>526,994</u>
	<u>900,795</u>	<u>920,562</u>
Total	<u><u>1,062,474</u></u>	<u><u>1,105,638</u></u>

(iii) Details of any collaterals

The Group's borrowings are secured by various assets: mainly property, plant and equipment, with carrying values amounting to \$960 million (31/12/2005: \$1,006 million).

2b. Net asset value

	Group		Company	
	31/03/2006	31/12/2005	31/03/2006	31/12/2005
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (in \$)	1.44	1.14	0.75	0.74
Net tangible asset value per ordinary share based on issued share capital at the end of the financial period/year (in \$)	1.35	1.06	0.75	0.74

2c. Notes to Balance Sheet

Due to the disposal of Logistics, Logistics is no longer a subsidiary of the Group. The Group has therefore ceased to consolidate Logistics as at March 31, 2006. As such, most balance sheet items as at March 31, 2006 are lower than December 31, 2005.

Trade and other receivables as at March 31, 2006 included proceeds receivable from the disposal of Logistics amounting to \$793 million. The proceeds of \$749 million have been received as at April 3, 2006. The remaining balance of \$44 million is expected to be received by end May 2006.

Inventories and work-in-progress increased as more projects were undertaken by Marine business.

The Group reclassified its provision for legal claims to trade and other payables as a full and final settlement agreement for Solitaire arbitration has been reached.

3. CONSOLIDATED CASH FLOW STATEMENT

	GROUP	
	1Q06 \$'000	1Q05 \$'000
Cash flows from Operating Activities		
Profit before income tax expense	547,976	114,699
Adjustment for :		
Dividend and interest income	(8,679)	(8,718)
Finance costs	12,459	19,859
Depreciation and amortisation	45,667	44,951
Share of results of associated companies and joint ventures	(23,437)	(20,188)
Loss / (profit) on sale of property, plant and equipment	131	(121)
Gain on disposal of investments	(464,289)	(17,757)
Allowance made for doubtful debts and bad debts written off (net)	34	2,022
Changes in fair value of financial instruments and hedge items	966	1,096
Share based payment expenses	5,979	2,293
Additional charge arising from final settlement on Solitaire	65,000	-
Allowance made / (written-back) for impairment in value of asset	6,106	(3)
Operating profit before working capital changes	187,913	138,133
Changes in working capital:		
Inventories and work-in-progress	(347,761)	174,112
Receivables	(119,676)	8,901
Payables	395,110	91,487
	115,586	412,633
Income tax paid	(1,023)	(2,281)
Net cash inflow from operating activities	114,563	410,352
Cash flows from Investing Activities		
Dividend and interest received	9,140	13,817
Cash flows on disposal of subsidiary, net of cash disposed (see note 3.1)	(347,019)	-
Proceeds from disposal of associates	-	47,249
Proceeds from disposals of investments	993	2,359
Proceeds from disposal of property, plant and equipment	1,853	360
Payment for the acquisition of a subsidiary	-	(6,616)
Acquisition of associates	-	(47,456)
Purchase of property, plant and equipment	(84,364)	(39,901)
Payment for intangible assets	(409)	(456)
Net outflow from investing activities	(419,806)	(30,644)
Cash flows from Financing Activities		
Proceeds from share issue	8,380	6,822
Proceeds from share issue to minority shareholders of subsidiaries	13,262	13,616
Net increase / (decrease) in bank borrowings	4,280	(580,613)
Net increase / (decrease) in other long term liabilities	6,567	(1,006)
Dividend paid to shareholders of the Company	-	(91,322)
Dividends paid to minority shareholders of subsidiaries	(8,950)	(296,569)
Interest paid	(11,761)	(17,601)
Net cash inflow / (outflow) from financing activities	11,778	(966,673)
Net decrease in cash and cash equivalents	(293,465)	(586,965)
Cash and cash equivalents at beginning of the period	1,230,902	2,099,962
Effects of exchange rate changes on cash and equivalents	2,908	2,005
Cash and cash equivalents at end of the period	940,345	1,515,002

3. GROUP CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

3.1 Cash flows on disposal of subsidiary, net of cash disposed

The fair values of net assets and liabilities of subsidiary disposed were as follows:

	GROUP	
	1Q06 \$'000	1Q05 \$'000
Non-current assets	265,087	-
Net current assets	345,415	-
Non-current liabilities	(25,013)	-
Minority Interest	(258,376)	-
Profit on disposal	463,316	-
Realisation of translation difference	2,870	-
Total consideration receivable	<u>793,299</u>	<u>-</u>
Less: consideration not yet received (included in trade and other receivables)	(793,299)	-
Less: Cash & bank balances of subsidiary disposed	<u>(347,019)</u>	<u>-</u>
Cash flows on disposal of subsidiary, net of cash disposed	<u>(347,019)</u>	<u>-</u>

3.2 Cash and cash equivalents

Cash and cash equivalents in the consolidated cashflow statement comprise the following balance sheet amounts:

	1Q06 \$'000	1Q05 \$'000
Bank balances, fixed deposits and cash	942,448	1,515,002
Bank overdrafts	(2,103)	-
	<u>940,345</u>	<u>1,515,002</u>

4. STATEMENTS OF CHANGES IN EQUITY

4a. Statements of Changes in Equity for the Group

	Attributable to shareholders of the Company								
	Share Capital	Share Premium	Merger Reserve	Other Reserves	Currency Translation Reserve	Accumulated Profits	Total	Minority Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1Q06									
At January 1, 2006	436,603	313,618	29,201	62,275	14,192	1,143,729	1,999,618	845,041	2,844,659
Transfer to share capital	313,618	(313,618)	-	-	-	-	-	-	-
Translation adjustments	-	-	-	-	(15,802)	-	(15,802)	(3,805)	(19,607)
Net fair value changes on available for sale financial assets, net of deferred taxes	-	-	-	5,137	-	-	5,137	3,184	8,321
Net fair value changes on cash flow hedges	-	-	-	31,888	-	-	31,888	50	31,938
Share of reserve of associates and joint venture companies	-	-	-	-	-	(2,543)	(2,543)	-	(2,543)
Realisation of reserve upon disposal of investments and changes in group structure	-	-	-	312,755	2,870	(313,138)	2,487	(245,363)	(242,876)
Net gain recognised directly in equity	313,618	(313,618)	-	349,780	(12,932)	(315,681)	21,167	(245,934)	(224,767)
Profit for the period	-	-	-	-	-	481,910	481,910	33,004	514,914
Total gain recognised for the period	313,618	(313,618)	-	349,780	(12,932)	166,229	503,077	(212,930)	290,147
Issue of shares under Share Option Plan	8,380	-	-	-	-	-	8,380	-	8,380
Share based payment	-	-	-	4,246	-	-	4,246	515	4,761
Dividend paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	(8,950)	(8,950)
At March 31, 2006	758,601	-	29,201	416,301	1,260	1,309,958	2,515,321	623,676	3,138,997
1Q05									
At January 1, 2005	456,623	296,628	29,201	48,974	31,463	1,084,869	1,947,758	852,495	2,800,253
Translation adjustments	-	-	-	-	(8,098)	-	(8,098)	(1,070)	(9,168)
Net fair value changes on available for sale financial assets, net of deferred taxes	-	-	-	10,569	-	-	10,569	5,210	15,779
Net fair value changes on cash flow hedges	-	-	-	1,798	-	-	1,798	(1,023)	775
Realisation of reserve upon disposal of investments and changes in group structure	-	-	-	(1,121)	(876)	(1)	(1,998)	12,597	10,599
Net gain recognised directly in equity	-	-	-	11,246	(8,974)	(1)	2,271	15,714	17,985
Profit for the period	-	-	-	-	-	72,330	72,330	25,937	98,267
Total gain recognised for the period	-	-	-	11,246	(8,974)	72,329	74,601	41,651	116,252
Issue of shares under Share Option Plan	1,222	5,600	-	-	-	-	6,822	-	6,822
Share based payment	-	-	-	1,554	-	-	1,554	320	1,874
At March 31, 2005	457,845	302,228	29,201	61,774	22,489	1,157,198	2,030,735	894,466	2,925,201

4b. Statements of Changes in Equity of the Company

	Share Capital \$'000	Share Premium \$'000	Other Reserves \$'000	Accumu- lated Profits \$'000	Total \$'000
1Q06					
At January 1, 2006	436,603	313,618	2,444	542,643	1,295,308
Transfer to share capital	313,618	(313,618)	-	-	-
Net gain recognised directly in equity	313,618	(313,618)	-	-	-
Profit for the period	-	-	-	18,110	18,110
Total loss recognised for the period	313,618	(313,618)	-	18,110	18,110
Issue of shares under Share Option Plan	8,380	-	-	-	8,380
Share based payment	-	-	154	-	154
At March 31, 2006	758,601	-	2,598	560,753	1,321,952

1Q05

At January 1, 2005	456,623	296,628	528	744,987	1,498,766
Profit for the period	-	-	-	92,268	92,268
Total gain recognised for the period	-	-	-	92,268	92,268
Issue of shares under Share Option Plan	1,222	5,600	-	-	6,822
Share based payment	-	-	422	-	422
At March 31, 2005	457,845	302,228	950	837,255	1,598,278

4c. Changes in the Company's share capital

Pursuant to the Companies (Amendment) Act 2005 effective from January 30, 2006, the concept of authorized share capital and par value has been abolished. Amount standing to the credit of share premium account is transferred to share capital as at that date.

During the period, the Company issued 5,241,118 ordinary shares for cash upon the exercise of the options under the Company's Share Option Plan.

As at March 31, 2006, the Company's issued and paid up capital comprises 1,751,652,996 (March 31, 2005: 1,831,379,218) ordinary shares and there were 43,934,858 (March 31, 2005: 62,052,984) unissued ordinary shares under options granted to eligible employees and directors under the Company's Share Option Plan.

5. AUDIT

These figures have not been audited or reviewed. However, our auditors have performed certain procedures and enquiries. These procedures are substantially less in scope than an audit or a review in accordance with Singapore Standard on Review Engagements (SSRE) 2400.

6. AUDITORS' REPORT

Not applicable.

7. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at December 31, 2005.

8. CHANGES IN ACCOUNTING POLICIES

There are no changes in accounting policies.

9. REVIEW OF GROUP PERFORMANCE

Group Overview

The Group achieved turnover of \$1.9 billion in 1Q06. The Group's profit attributable to shareholders of the Company (PATMI) before EI in 1Q06 was \$83.6 million compared to \$58.8 million in 1Q05, which represents 42% growth.

The Group also generated strong Economic Value Added of \$451.0 million due to strong operating performances by the Utilities and Marine businesses and gain on disposal of a subsidiary.

Turnover

	<u>1Q06</u>	<u>1Q05</u>	<u>Growth</u>	
	<u>\$'m</u>	<u>\$'m</u>	<u>\$'m</u>	<u>%</u>
Utilities	888	683	205	30
Marine Engineering (Marine)	496	441	55	13
Logistics	133	138	(5)	(4)
Environmental Engineering (Enviro)	55	52	3	4
Engineering & Construction (E&C)	242	499	(257)	(52)
Others / Corporate	42	42	0	0
	<u>1,856</u>	<u>1,855</u>	<u>1</u>	<u>0</u>

Utilities and Marine together contributed 75% of the Group's turnover of \$1.9 billion.

Utilities turnover increased by 30% to \$888 million. Its Singapore and UK operations continued to do well as power prices continue to remain high. However, turnover in its offshore engineering unit declined with the completion of some of its projects.

Marine's turnover increased by 13% to \$496 million. This was mainly due to growth in its rig building and ship repair segments.

Turnover for E&C's was lower as compared to last year due to the recognition of a major project in 1Q05.

9. **REVIEW OF GROUP PERFORMANCE** (Cont'd)

	<u>1Q06</u>	<u>1Q05</u>	<u>Growth</u>	
	\$'m	\$'m	\$'m	%
Utilities	45.3	34.6	10.7	31
Marine Engineering (Marine)	25.1	14.8	10.3	70
Logistics	7.9	9.3	(1.4)	(14)
Environmental Engineering (Enviro)	3.9	3.9	0.0	0
Engineering & Construction (E&C)	0.1	1.2	(1.1)	(91)
Others / Corporate	1.3	(5.0)	6.3	NM
PATMI before exceptional items	83.6	58.8	24.8	42
Exceptional items (EI)	398.3	13.5	384.8	2842
PATMI	481.9	72.3	409.6	566

Note: NM = Not meaningful

Profit attributable to shareholders of the Company ("PATMI")

Group's PATMI (before EI) in 1Q06 rose by 42% to \$83.6 million. The strong growth was mainly contributed by Utilities and Marine business units.

Utilities' PATMI in 1Q06 was higher by 31% over 1Q05. The turnaround of its offshore engineering unit has contributed to the Utilities growth.

Group's share of PATMI from its Marine business unit was due to better overall operating profits in rig building and ship repair segments; and higher contribution from its associated companies.

The business environment in which E&C operates continues to be difficult and competitive.

The improvement in Others / Corporate was mainly attributed to lower professional fees incurred in respect of Solitaire.

The Group also recorded an EI gain of \$398.3 million for 1Q06. EI comprised of a gain on disposal of Logistics, offset by an additional charge arising from final settlement on Solitaire.

10. VARIANCE FROM PROSPECT STATEMENT

There has been no significant variance in the operating performance of the Group as compared to previous statements.

11. PROSPECTS

Utilities

Underpinned by long-term contracts, its Singapore operations will continue to generate stable earnings.

High oil prices led to significant increases in UK energy prices during 2005, and this has helped to enhance the profitability of its operations in the UK.

Our operation in Vietnam is expected to continue to perform well.

China projects are still in the early phase and the performance in China is expected to face challenges due to the shortage of natural gas in Shanghai.

Offshore engineering unit is expected to contribute in the current year.

Overall, Utilities is expected to achieve stable operating profits in 2006 compared to 2005.

Marine

Total outstanding order book, excluding ship repair, currently stands at \$6.8 billion. In 2006, Marine has secured contracts worth a total of \$1.9 billion with deliveries and completion till 2009.

Going forward, Marine expects the current year's overall performance to be stronger than 2005, based on the scheduled completion of projects.

The ship repair sector remains strong despite a competitive environment. For ship conversion and offshore sector, market fundamentals for Floating Production Storage Offloading (FPSO) vessels and Floating Storage Offloading (FSO) vessels continue to be strong, driven mainly by high oil prices and increased exploration and production activities. Rig building continues to provide robust demand due to high worldwide utilization rates, unprecedented high charter rates as well as an aging rig fleet worldwide.

Overall, market outlook for all sectors in the marine and offshore industry remains strong.

Enviro

Enviro is expected to perform better in 2006 than 2005. The outstanding contracts value as at March 31, 2006 stands at \$626 million.

E&C

E&C is not expected to contribute significantly to the Group's PATMI. Notwithstanding a better outlook for construction of petrochemical projects, E&C expects keen competition to continue and will continue to pursue process engineering projects. The outstanding contracts value as at March 31, 2006 stands at \$2.1 billion.

SCI Group

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

This release 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, 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 the management on future events and impact on the Group.

12. DIVIDEND / CAPITAL DISTRIBUTION

Dividend

No interim dividend for the period ended March 31, 2006 is recommended.

Capital Distribution

Arising from the disposal of Logistics, the Board of Directors is pleased to propose a capital distribution of 15 cents per share in cash, without deduction for tax out of the Company's share capital account. The capital distribution will be subject to the approval of shareholders at a meeting to be convened and made pursuant to relevant sections of the Companies Act (Chapter 50).

13. SEGMENTAL REPORTING

1Q06

(i) <u>Business segments</u>	Utilities	Marine	Logistics	Enviro	E&C	Others / Corporate	Elimina- tion	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover								
External sales	887,592	496,155	133,250	54,678	242,023	42,504	-	1,856,202
Inter-segment sales	6,137	2,952	150	438	42	4,254	(13,973)	-
Total	893,729	499,107	133,400	55,116	242,065	46,758	(13,973)	1,856,202
Results								
Segment results	68,318	44,240	8,796	929	296	405,816	-	528,395
Interest income	2,321	4,209	2,270	73	342	4,928	(5,540)	8,603
Interest expense	(10,713)	(1,362)	(108)	(248)	(288)	(5,280)	5,540	(12,459)
	59,926	47,087	10,958	754	350	405,464	-	524,539
Share of results of associates	-	7,265	4,199	2,504	-	1,274	-	15,242
Share of results of joint ventures	4,774	172	2,486	-	-	763	-	8,195
	64,700	54,524	17,643	3,258	350	407,501	-	547,976
Taxation	(15,978)	(11,337)	(3,156)	667	(240)	(3,018)	-	(33,062)
Minority interest	(3,413)	(18,070)	(6,546)	2	(2)	(4,975)	-	(33,004)
Net profit for the period	45,309	25,117	7,941	3,927	108	399,508	-	481,910
Comprising:								
Net profit before exceptional items	45,309	25,117	7,941	3,927	108	1,192	-	83,594
Exceptional items	-	-	-	-	-	398,316	-	398,316
	45,309	25,117	7,941	3,927	108	399,508	-	481,910
Assets								
Segment assets	2,681,097	2,363,450	-	158,593	634,360	1,931,997	(593,015)	7,176,482
Investment in associates	-	109,593	-	55,013	2,397	57,321	-	224,324
Investment in joint ventures	149,567	19,129	-	1,216	-	213,211	-	383,123
Tax assets	24,905	1,368	-	5,404	15,801	88,827	-	136,305
Total assets	2,855,569	2,493,540	-	220,226	652,558	2,291,356	(593,015)	7,920,234
Liabilities								
Segment liabilities	1,801,737	1,195,105	-	56,965	589,566	1,390,692	(593,015)	4,441,050
Tax liabilities	162,316	113,454	-	4,556	7,175	52,686	-	340,187
Total liabilities	1,964,053	1,308,559	-	61,521	596,741	1,443,378	(593,015)	4,781,237
Capital expenditure	58,283	16,227	3,798	3,560	656	2,249	-	84,773
Significant non-cash items								
Depreciation and amortisation	22,574	10,424	3,228	2,162	1,452	5,827	-	45,667
Other non-cash items (including provisions, loss on disposal and exchange differences)	3,172	8,401	836	496	2,770	77,807	-	93,482

(ii) Geographical segments

	Revenue		Segment Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	1,003,121	54	5,545,940	78	5,689,708	72	49,914	58
Rest of Asia	270,669	15	666,617	9	1,186,562	15	12,462	15
Europe	427,241	23	871,222	12	885,819	11	21,965	26
Others	155,171	8	92,703	1	158,145	2	432	1
Total	1,856,202	100	7,176,482	100	7,920,234	100	84,773	100

13. SEGMENTAL REPORTING (Cont'd)

1Q05

<u>(i) Business segments</u>	Utilities	Marine	Logistics	Enviro	E&C	Others / Corporate	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover								
External sales	682,892	440,901	138,056	52,349	499,374	41,302	-	1,854,874
Inter-segment sales	3,975	6,917	-	196	-	4,845	(15,933)	-
Total	686,867	447,818	138,056	52,545	499,374	46,147	(15,933)	1,854,874
Results								
Segment results	65,974	23,205	19,674	1,314	1,941	(6,411)	-	105,697
Interest income	1,216	3,945	3,382	-	277	5,031	(5,178)	8,673
Interest expense	(15,933)	(1,135)	(1,272)	(282)	(136)	(6,279)	5,178	(19,859)
	51,257	26,015	21,784	1,032	2,082	(7,659)	-	94,511
Share of results of associates	713	3,099	3,366	2,417	(307)	1,165	-	10,453
Share of results of joint ventures	4,711	(204)	3,114	-	-	2,114	-	9,735
	56,681	28,910	28,264	3,449	1,775	(4,380)	-	114,699
Taxation	(10,065)	(5,305)	(3,281)	603	(605)	2,221	-	(16,432)
Minority interests	(3,157)	(8,851)	(11,028)	(154)	72	(2,819)	-	(25,937)
Net profit / (loss) for the period	43,459	14,754	13,955	3,898	1,242	(4,978)	-	72,330
Comprising:								
Net profit / (loss) before exceptional items	34,596	14,754	9,278	3,898	1,242	(4,978)	-	58,790
Exceptional items	8,863	-	4,677	-	-	-	-	13,540
	43,459	14,754	13,955	3,898	1,242	(4,978)	-	72,330
Assets								
Segment assets	2,395,553	1,880,082	871,950	162,509	581,395	1,397,338	(798,678)	6,490,149
Investment in associates	-	91,245	72,906	61,894	5,401	50,914	-	282,360
Investment in joint ventures	138,678	9,267	66,537	-	-	185,803	-	400,285
Tax assets	19,871	1,588	7,980	4,861	12,997	77,909	-	125,206
Total assets	2,554,102	1,982,182	1,019,373	229,264	599,793	1,711,964	(798,678)	7,298,000
Liabilities								
Segment liabilities	1,733,572	798,113	228,391	64,392	528,717	1,553,308	(798,678)	4,107,815
Tax liabilities	108,642	84,288	13,052	5,666	9,264	44,072	-	264,984
Total liabilities	1,842,214	882,401	241,443	70,058	537,981	1,597,380	(798,678)	4,372,799
Capital expenditure	6,280	26,596	2,455	1,112	1,094	2,877	-	40,414
Significant non-cash items								
Depreciation and amortisation	22,128	8,561	3,348	2,188	2,937	5,789	-	44,951
Other non-cash items (including provisions, loss on disposal and exchange differences)	4,766	1,645	470	660	1,949	3,072	-	12,562

(ii) Geographical segments

	Revenue		Segment Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	812,313	44	5,031,179	78	5,117,907	70	32,243	79
Rest of Asia	509,383	27	712,946	11	1,339,585	18	4,379	11
Europe	430,574	23	594,749	9	607,355	8	3,558	9
Others	102,604	6	151,275	2	233,153	4	234	1
Total	1,854,874	100	6,490,149	100	7,298,000	100	40,414	100

Notes To Segmental Analysis

13a. Business Segments

The Group comprises the following main business segments:

Utilities segments offer a range of fully integrated industrial site services, including power, gas, centralised utilities to clusters of chemical multinational corporations in Singapore and United Kingdom. It also invests in, manages and operates cogeneration, power and water treatment plants in Singapore and in the region. It is also involved in engineering, construction and fabrication of offshore platforms, modules and floating production systems for oil and gas companies.

Marine Engineering segment focuses on repair, building and conversion of ships, rig construction and offshore engineering.

Logistics segment provides one-stop logistics management services, parts and components management, automated warehouse operations, preservation and packaging technologies and hazardous goods management. This business has since been sold.

Environmental Engineering segment provides integrated waste management services in the Asia Pacific region.

Engineering and Construction segment is engaged in turnkey construction, design consultancy, infrastructure development and project management.

Others segment comprises businesses relating to minting, hotels, properties, resorts and industrial parks.

13b. Geographical Segments

The Group operates in three principal geographical areas, Singapore, Europe and Rest of Asia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and total assets are based on the geographical location of the assets.

13c. Review of segment performance

Please refer to Paragraph 9 for analysis by business segments.

14. INTERESTED PERSON TRANSACTIONS

Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)

1Q06
\$'000

Sale of Goods and Services

Temasek Holdings (Private) Limited and its Associates	
- Tuas Power Ltd/PowerSeraya Limited ¹	128,326
- Temasek Capital (Private) Limited and its Associates	1,387
- MediaCorp Pte Ltd and its Associates	1,310
- Singapore Technologies Telemedia Pte Ltd and its Associates	798
- PSA International Pte Ltd and its Associates	623
- Wildlife Reserves Singapore Pte Ltd and its Associates	361
- Singapore Power Ltd and its Associates	186
- National University Hospital (S) Pte Ltd and its Associates	132
	<hr/>
	133,123
Singapore Petroleum Co Ltd and its Associates	9,997
Singapore Airlines Limited and its Associates	1,170
Starhub Ltd and its Associates	743
Singapore Food Industries Ltd and its Associates	258
SNP Corporation Ltd and its Associates	161
	<hr/>
	145,452

Purchases of Goods and Services

Temasek Holdings (Private) Limited and its Associates	
- Temasek Capital (Private) Limited and its Associates ²	134,986
- Singapore Power Ltd and its Associates	903
	<hr/>
	135,889

Treasury (Balances as at March 31, 2006)

Placement of funds

Singapore Technologies Pte Ltd and its Associates	10,927
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Total Interested Person Transactions

292,268

Note

¹ This relates mainly to the sale of gas by SembCorp Gas Pte Ltd to Tuas Power and PowerSeraya for the generation of electricity.

² This relates mainly to the purchase of gas by SembCorp Cogen Pte Ltd from SembCorp Gas Pte Ltd for the generation of electricity.

There are no transactions which are not conducted under the shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual during the period January 1, 2006 to March 31, 2006.

BY ORDER OF THE BOARD

Kwong Sook May (Ms)

Company Secretary

May 8, 2006