



SEMBCORP INDUSTRIES LTD
Registration Number: 199802418D

FOURTH QUARTER AND FULL YEAR ENDED DECEMBER 31, 2011 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

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SEMBCORP INDUSTRIES LTD

UNAUDITED RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED DECEMBER 31, 2011

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the fourth quarter and full year ended December 31, 2011.

1. GROUP INCOME STATEMENT

	Note	GROUP			GROUP		
		4Q11 \$'000	4Q10 \$'000	+ / (-) %	FY11 \$'000	FY10 \$'000	+ / (-) %
Turnover	2a	2,245,885	2,068,413	8.6	9,047,066	8,763,614	3.2
Cost of sales	2a	(1,896,793)	(1,614,734)	17.5	(7,692,621)	(7,242,974)	6.2
Gross profit	2a	349,092	453,679	(23.1)	1,354,445	1,520,640	(10.9)
General & administrative expenses	2b	(66,831)	(119,841)	(44.2)	(288,641)	(341,065)	(15.4)
Operating profit		282,261	333,838	(15.4)	1,065,804	1,179,575	(9.6)
Other income	2c	26,727	12,144	120.1	112,060	65,196	71.9
Non-operating expense (net)	2d	7,935	(1,439)	NM	(12,190)	(29,048)	(58.0)
Finance costs	2e	(16,691)	(18,175)	(8.2)	(65,668)	(61,129)	7.4
Share of results (net of tax) of:							
- Associates		15,133	26,862	(43.7)	90,627	85,635	5.8
- Joint ventures		26,412	29,656	(10.9)	79,946	74,460	7.4
	2f	41,545	56,518	(26.5)	170,573	160,095	6.5
Profit before tax expense		341,777	382,886	(10.7)	1,270,579	1,314,689	(3.4)
Tax credit / (expense)	2g	19,900	(36,331)	NM	(124,769)	(194,378)	(35.8)
Profit for the period / year before exceptional item		361,677	346,555	4.4	1,145,810	1,120,311	2.3
Exceptional item	2h	-	-	-	-	52,640	(100.0)
Profit for the period / year		361,677	346,555	4.4	1,145,810	1,172,951	(2.3)
Attributable to:							
Shareholders of the Company							
Profit before exceptional item		251,885	228,673	10.2	809,282	760,789	6.4
Exceptional item	2h	-	-	-	-	32,082	(100.0)
Net profit attributable to shareholders of the Company ("Net Profit")		251,885	228,673	10.2	809,282	792,871	2.1
Non-controlling interests	2i	109,792	117,882	(6.9)	336,528	380,080	(11.5)
		361,677	346,555	4.4	1,145,810	1,172,951	(2.3)
Earnings per ordinary share (cents)	2j						
Before exceptional item							
- basic		14.12	12.80	10.3	45.32	42.64	6.3
- diluted		14.03	12.70	10.5	44.98	42.32	6.3
After exceptional item							
- basic		14.12	12.80	10.3	45.32	44.44	2.0
- diluted		14.03	12.70	10.5	44.98	44.11	2.0
Economic value added	2k	271,609	225,297	20.6	728,207	809,419	(10.0)

2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

2a. Turnover, Cost of Sales

	GROUP			GROUP		
	4Q11 \$'000	4Q10 \$'000	+ / (-) %	FY11 \$'000	FY10 \$'000	+ / (-) %
Turnover	2,245,885	2,068,413	8.6	9,047,066	8,763,614	3.2
Cost of sales	(1,896,793)	(1,614,734)	17.5	(7,692,621)	(7,242,974)	6.2
Gross profit	349,092	453,679	(23.1)	1,354,445	1,520,640	(10.9)
Included in Cost of sales:-						
Depreciation and amortisation (i)	(59,405)	(75,296)	(21.1)	(219,165)	(225,511)	(2.8)
Allowance made for impairment losses						
- property, plant and equipment (ii)	(14,935)	-	NM	(14,935)	(3,239)	361.1
- inventory obsolescence	(149)	(119)	25.2	(8,136)	(686)	1,086.0
Property, plant and equipment written off	(498)	(1,327)	(62.5)	(949)	(3,007)	(68.4)

Group turnover – refer to Page 16, note 11.

Group gross profit dropped by 23% in 4Q11 mainly due to lower contribution from Marine. Marine's gross profit for 4Q11 was lower mainly due to the margin recognition of the initial few units of the newly launched designs for rig building projects as compared to the higher margin recognition from the repeated rig building projects in 4Q10.

The Utilities business delivered a strong performance during the quarter mainly due to higher contribution from Singapore operations largely attributable to our cogeneration plant.

- (i) Lower depreciation and amortisation in 4Q11 due to certain assets which were written down through accelerated depreciation in 4Q10.
- (ii) Impairment of property, plant and equipment arose from Utilities' Singapore operations in 4Q11.

2b. General & administrative expenses

	GROUP			GROUP		
	4Q11 \$'000	4Q10 \$'000	+ / (-) %	FY11 \$'000	FY10 \$'000	+ / (-) %
General & administrative expenses	(66,831)	(119,841)	(44.2)	(288,641)	(341,065)	(15.4)
Included in general & administrative expenses: -						
Depreciation and amortisation	(3,679)	(4,530)	(18.8)	(15,651)	(16,628)	(5.9)
(Allowance for) / Write-back of doubtful debts and bad debts	(433)	5,092	NM	(1,748)	5,485	NM
Allowance made for impairment losses						
- property, plant and equipment & investment properties	(432)	(2,565)	(83.2)	(214)	(2,565)	(91.7)
- interests in investments (i)	(1,102)	(150)	634.7	(1,102)	(150)	634.7
- impairment of goodwill	-	(1,980)	(100.0)	-	(1,980)	(100.0)

General & administrative expenses for 4Q11 was lower primarily due to Marine's lower provision for bonus in 4Q11.

- (i) Impairment of investments mainly arose from Utilities in 4Q11.

2 NOTES TO THE CONSOLIDATED INCOME STATEMENT (Cont'd)

2c. Other income

	GROUP			GROUP		
	4Q11	4Q10	+ / (-)	FY11	FY10	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Other income	26,727	12,144	120.1	112,060	65,196	71.9
Included in other income: -						
Dividend income	93	12	675.0	4,650	3,544	31.2
Other income (i)	14,148	8,533	65.8	42,842	29,176	46.8
Interest income (ii)	12,486	3,599	246.9	64,568	32,476	98.8

- (i) Other income increased in 4Q11 primarily due to technical fees received by Utilities and higher scrap sales from Marine.
- (ii) Higher interest income in 4Q11 was attributable mainly to interest received for deferred payment granted to Marine's customers.

2d. Non-operating expense (net)

	GROUP			GROUP		
	4Q11	4Q10	+ / (-)	FY11	FY10	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Non-operating expense (net)	7,935	(1,439)	NM	(12,190)	(29,048)	(58.0)
Included in non-operating expense (net): -						
Changes in fair value of financial instruments	(1,662)	4,353	NM	(7,280)	12,428	NM
Foreign exchange gain / (loss) (i)	8,680	(6,817)	NM	(6,569)	(41,865)	(84.3)

- (i) Foreign exchange gain in 4Q11 arose mainly from Utilities' and Marine's revaluation of assets denominated in Euro and United States dollar to Singapore dollar.

2e. Finance costs

Finance costs decreased in 4Q11 was primarily due to Marine's lower financing facility fees incurred.

2f. Share of results (net of tax) of Associates and Joint Ventures

The Group recorded lower results from associates and joint ventures in 4Q11 compared to 4Q10, mainly due to lower contribution by Utilities' operations in Australia, Middle East and Vietnam.

2g. Tax expense

Included in tax expense are the following:	GROUP			GROUP		
	4Q11	4Q10	+ / (-)	FY11	FY10	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Tax expense						
- Net write-back of tax in respect of prior years (i)	66,275	16,939	291.3	68,863	19,011	262.2
Deferred tax						
- Write-back of provision for deferred tax due to reduction in corporate tax rate	5,736	4,799	19.5	10,617	4,799	121.2

- (i) 4Q11 over provision of tax was primarily related to Marine's tax deduction which has been allowed for losses from the foreign exchange transactions.

2 NOTES TO THE CONSOLIDATED INCOME STATEMENT (Cont'd)

2h. Exceptional item

	GROUP			GROUP		
	4Q11 \$'000	4Q10 \$'000	+ / (-) %	FY11 \$'000	FY10 \$'000	+ / (-) %
Full and final amicable settlement of disputed forex transactions in Marine	-	-	-	-	52,640	(100.0)
Less : Non-controlling interests	-	-	-	-	(20,558)	(100.0)
	-	-	-	-	32,082	(100.0)

2i. Non-controlling interests

On May 15, 2010, our subsidiary, Sembcorp Marine Ltd ("SCM") commenced proceedings in the High Court of Singapore against PPL Holdings Pte Ltd and its wholly owned subsidiary, E-Interface Holdings Limited to seek the transfer for the remaining 15 per cent of the shares in PPL Shipyard Pte Ltd ("PPLS") to SCM. Pending the outcome of the Court's decision, the Group has continued to consolidate its 85 per cent interest in PPLS and separately accounted for the 15 per cent as a "non-controlling interest".

2j. Earnings per ordinary share

Earnings per ordinary share of the Group based on net profit attributable to the shareholders of the Company:	4Q11	Group 4Q10	+ / (-) %	FY11	Group FY10	+ / (-) %
	(i) Based on the weighted average number of shares (in cents)					
(a) Before exceptional item	14.12	12.80	10.4	45.32	42.64	6.3
(b) After exceptional item	14.12	12.80	10.3	45.32	44.44	2.0
- Weighted average number of shares (in million)	1,783.6	1,786.9	(0.2)	1,785.7	1,784.3	0.1
(ii) On a fully diluted basis (in cents)						
(a) Before exceptional items	14.03	12.70	10.5	44.98	42.32	6.3
(b) After exceptional item	14.03	12.70	10.5	44.98	44.11	2.0
- Adjusted weighted average number of shares (in million)	1,798.0	1,801.0	(0.2)	1,799.4	1,797.6	0.1

2k. Economic Value Added

Higher Economic Value Added ("EVA") was generated in 4Q11 due to higher net operating profit after tax ("NOPAT") arising from increase in operating profits.

2l. Breakdown of sales

	GROUP		
	FY11 \$'000	FY10 \$'000	+ / (-) %
First Half Year			
(i) Sales reported	4,168,974	4,541,624	(8.2)
(ii) Profit after tax before deducting non-controlling interests	463,935	455,634	1.8
Second Half Year			
(iii) Sales reported	4,878,092	4,221,990	15.5
(iv) Profit after tax before deducting non-controlling interests	681,875	717,317	(4.9)

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		GROUP	
		4Q11 \$'000	4Q10 \$'000	FY11 \$'000	FY10 \$'000
Profit for the period / year		361,677	346,555	1,145,810	1,172,951
Foreign currency translation differences for foreign operations	(i)	75,828	(45,008)	13,192	(131,504)
Exchange differences on monetary items forming part of net investment in foreign operation		2,578	(1,453)	(223)	(3,663)
Net change in fair value of cash flow hedges	(ii)	(24,518)	81,716	(114,261)	(1,843)
Net change in fair value of cash flow hedges transferred to profit or loss	(iii)	(5,517)	(2,814)	(27,451)	(7,269)
Net change in fair value of cash flow hedges transferred to initial carrying value of hedged items		-	-	-	2,798
Net change in fair value of available-for-sale financial assets	(iv)	(11,843)	28,197	(132,220)	101,099
Share of other comprehensive income of associates and joint ventures		(6,182)	(2,936)	(5,869)	2,520
Other comprehensive income for the period / year, net of tax		30,346	57,702	(266,832)	(37,862)
Total comprehensive income for the period / year		392,023	404,257	878,978	1,135,089
Attributable to:					
Shareholders of the Company		279,808	256,479	644,457	735,140
Non-controlling interests		112,215	147,778	234,521	399,949
Total comprehensive income for the period / year		392,023	404,257	878,978	1,135,089

3a. Notes to Consolidated Statement of Comprehensive Income

- (i) The movement in reserves in 4Q11 was a result of depreciation of Singapore dollar against United States dollar, pound sterling and Renminbi.
- (ii) The fair value loss in 4Q11 was primarily due to fair value adjustments on foreign currency forward contracts by Marine and interest rate swaps from additional drawdown of project finance debts of a subsidiary in Middle East.
- (iii) Mainly due to maturity of fuel oil swaps.
- (iv) Mainly due to lower quoted prices of available-for-sale assets held by Marine.

4. BALANCE SHEETS

	GROUP		COMPANY	
	As at 31/12/2011 \$'000	As at 31/12/2010 \$'000	As at 31/12/2011 \$'000	As at 31/12/2010 \$'000
Equity attributable to owners of the Company:-				
Share capital	565,572	571,099	565,572	571,099
(Deficit) / Surplus in other reserves	(46,322)	156,588	(9,884)	9,869
Accumulated profits	3,595,266	3,087,523	1,309,119	1,089,251
	<u>4,114,516</u>	<u>3,815,210</u>	<u>1,864,807</u>	<u>1,670,219</u>
Non-controlling interests				
	1,126,144	1,205,050	-	-
Total equity	<u>5,240,660</u>	<u>5,020,260</u>	<u>1,864,807</u>	<u>1,670,219</u>
Non-current assets				
Property, plant and equipment	4,249,575	3,438,579	450,265	453,344
Investment properties	23,007	24,112	-	-
Investments in subsidiaries	-	-	1,561,239	1,563,246
Interests in associates	843,127	686,601	-	-
Interests in joint ventures	501,573	347,427	-	-
Other financial assets	145,280	324,929	-	-
Long-term receivables and prepayments	380,464	345,705	7,730	729
Intangible assets	331,883	311,834	19,515	19,097
Deferred tax assets	60,655	48,162	-	-
	<u>6,535,564</u>	<u>5,527,349</u>	<u>2,038,749</u>	<u>2,036,416</u>
Current assets				
Inventories and work-in-progress	1,078,269	915,933	9,101	7,417
Trade and other receivables	1,090,259	760,537	100,864	70,951
Tax recoverable	12,073	116,751	-	105,544
Assets held for sale	24,437	36,813	-	-
Other financial assets	16,545	46,282	-	-
Cash and cash equivalents	2,995,478	3,487,876	629,074	310,342
	<u>5,217,061</u>	<u>5,364,192</u>	<u>739,039</u>	<u>494,254</u>
Current liabilities				
Trade and other payables	2,746,273	2,268,116	179,883	155,101
Excess of progress billings over work-in-progress	355,300	664,109	-	-
Provisions	117,522	122,870	20,766	7,246
Other financial liabilities	22,509	17,109	-	-
Current tax payable	269,822	343,340	17,178	-
Interest-bearing borrowings	186,073	48,945	94	88
	<u>3,697,499</u>	<u>3,464,489</u>	<u>217,921</u>	<u>162,435</u>
Net current assets	<u>1,519,562</u>	<u>1,899,703</u>	<u>521,118</u>	<u>331,819</u>
	8,055,126	7,427,052	2,559,867	2,368,235
Non-current liabilities				
Deferred tax liabilities	387,651	419,539	40,349	40,535
Provisions	37,087	38,529	593	500
Other financial liabilities	187,325	54,608	-	-
Retirement benefit obligations	17,740	19,973	-	-
Interest-bearing borrowings	1,856,365	1,553,125	156	250
Other long-term liabilities	328,298	321,018	653,962	656,731
	<u>2,814,466</u>	<u>2,406,792</u>	<u>695,060</u>	<u>698,016</u>
	<u>5,240,660</u>	<u>5,020,260</u>	<u>1,864,807</u>	<u>1,670,219</u>

4. BALANCE SHEETS (Cont'd)

4a. Group's borrowings and debt securities

	As at 31/12/2011 \$'000	As at 31/12/2010 \$'000
Amount repayable:		
(i) <u>In one year or less, or on demand</u>		
Secured	40,822	32,454
Unsecured	146,765	17,668
	<u>187,587</u>	<u>50,122</u>
(ii) <u>After one year</u>		
Secured	987,868	616,043
Unsecured	1,008,062	1,076,690
	<u>1,995,930</u>	<u>1,692,733</u>
Total	<u>2,183,517</u>	<u>1,742,855</u>

(iii) The secured loans are collateralised by the following assets' carrying value:-

	As at 31/12/2011 \$'000	As at 31/12/2010 \$'000
Net assets of a subsidiary, property, plant and equipment, capital work-in-progress and investment properties	<u>1,415,632</u>	<u>1,159,736</u>

4b. Net asset value

	Group		Company	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in \$)	2.31	2.13	1.05	0.93

4c. Explanatory Notes to Balance Sheets

Significant variances for balance sheets items are explained as follows:

(i) Group

Equity

The decrease in "Other reserves" was mainly due to (i) fair value loss on foreign currency forward contracts, interest rate swaps and fuel oil swaps, and (ii) fair value loss on Cosco Corporation (S) Ltd shares held by Marine.

Non-current assets

"Property, plant and equipment" increased mainly due to increase in capital work-in-progress mainly for Utilities and Marine's projects.

"Interests in associates" and "Interests in joint ventures" increased due to additional investment in our Australia and China associates, new investments in Indian joint ventures and higher share of profits contributed by the associates and joint ventures during the period.

"Other financial assets" decreased mainly due to fair value adjustments of quoted equity shares held by Marine.

"Deferred tax assets" increased mainly due to fair value adjustments on interest rate swaps of a subsidiary.

4. **BALANCE SHEETS** (Cont'd)

4c. **Explanatory Notes to Balance Sheets**

(i) **Group (cont'd)**

Net current assets

“Trade and other receivables” and “Trade and other payables” increased in line with turnover.

“Tax recoverable” decreased mainly due to receipt of tax refunds from Inland Revenue Authority of Singapore (“IRAS”).

“Cash and cash equivalents” decreased mainly due to payment of dividends and funding for capex.

“Inventories and work-in-progress” increased and “Excess of progress billings over work-in-progress” decreased mainly due to payment terms of rig building projects.

“Other financial assets” decreased and “Other financial liabilities” increased mainly due to fair value adjustment on foreign currency forward contracts.

“Current tax payable” decreased due to tax paid during the reporting period.

Non-current liabilities

“Other financial liabilities” increased mainly due to fair value adjustment on foreign currency forward contracts and interest rate swaps.

“Interest-bearing borrowings” increased due to increased bank borrowings from the drawdown of project finance debts.

(ii) **Company**

Non-current assets

“Long-term receivables and prepayments” increased mainly due to prepayments paid for facilities.

Net current assets

“Cash and cash equivalents” increased mainly due to higher dividends received from subsidiaries and tax refunds from IRAS.

“Trade and other receivables” and “Trade and other payables” increased in line with turnover.

“Tax recoverable” decreased mainly due to tax refunds from IRAS.

5. CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP		GROUP	
	4Q11 \$'000	4Q10 \$'000	FY11 \$'000	FY10 \$'000
Cash flows from Operating Activities				
Profit for the period / year	361,677	346,555	1,145,810	1,172,951
Adjustments for :				
Dividend and interest income	(12,579)	(3,611)	(69,218)	(36,020)
Finance costs	16,691	18,175	65,668	61,129
Depreciation and amortisation	63,084	79,826	234,816	242,139
Share of results of associates and joint ventures	(41,545)	(56,518)	(170,573)	(160,095)
Gain on disposal of property, plant and equipment	(136)	(1,414)	(980)	(1,576)
Gain on disposal of investment properties	(822)	-	(822)	-
Gain on disposal of asset held for sale and investments (net)	(100)	-	(455)	(141)
Full and final settlement of disputed foreign exchange transactions	-	-	-	(52,640)
Changes in fair value of financial instruments	1,662	(4,353)	7,280	(12,428)
Equity settled share-based compensation expenses	8,746	6,822	26,559	21,085
Allowance made for impairment in value of assets and assets written off (net)	17,277	9,313	17,922	11,433
Tax expense	(19,900)	36,331	124,769	194,378
Operating profit before working capital changes	394,055	431,126	1,380,776	1,440,215
Changes in working capital:				
Inventories and work-in-progress	(206,156)	80,828	(471,233)	449,259
Receivables	48,376	35,552	(364,748)	77,255
Payables	250,606	56,014	514,820	(185,479)
	486,881	603,520	1,059,615	1,781,250
Net payment from banks for disputed transactions	-	-	-	52,640
Tax refunded / (paid)	156,661	(19,840)	(84,605)	(131,525)
Net cash inflow from operating activities	643,542	583,680	975,010	1,702,365
Cash flows from Investing Activities				
Dividends and interest received	55,584	42,011	140,392	97,306
Proceeds from disposal of interests in subsidiaries	(1,442)	-	(2,428)	-
Proceeds from sale of investments	-	-	1,685	59
Proceeds from sale of property, plant and equipment	1,889	3,649	3,621	7,619
Proceeds from sale of investment properties	850	-	850	-
Proceeds from sale of intangibles	-	-	-	10
Proceeds from sale of asset held for sale	(1)	-	759	-
Cash paid to non-controlling interests upon liquidation of a subsidiary	-	-	-	(542)
Acquisition of subsidiary, net of cash acquired	-	-	-	(197,003)
Acquisition of non-controlling interests	-	-	-	(15,766)
Acquisition of / additional investments in associates and joint ventures	(23,048)	(6,235)	(197,566)	(18,758)
Acquisition of other financial assets	-	(2,005)	-	(2,005)
Purchase of property, plant and equipment	(371,969)	(204,081)	(1,051,626)	(629,357)
Payment for intangible assets	(9,405)	(1,853)	(38,578)	(2,960)
Net cash outflow from investing activities	(347,542)	(168,514)	(1,142,891)	(761,397)
Cash flows from Financing Activities				
Proceeds from share issue to non-controlling interests of subsidiaries	-	263	14,537	16,162
Proceeds from share options exercised with issue of treasury shares	194	510	3,481	6,802
Proceeds from share options exercised with issue of treasury shares of a subsidiary	496	-	496	3,248
Purchase of treasury shares	(336)	(3,466)	(37,771)	(3,466)
Purchase of treasury shares by subsidiary	(2,194)	-	(43,053)	-
Proceeds from borrowings	63,871	73,041	476,715	948,146
Repayment of borrowings	(17,981)	(24,537)	(50,556)	(538,206)
Payment on finance leases	(1,626)	(1,554)	(2,785)	(2,336)
Net increase / (decrease) in other long term liabilities	(357)	753	(31)	626
Dividends paid to owners of the Company	-	-	(304,029)	(267,607)
Dividends paid to non-controlling interests of subsidiaries	(4,710)	(6,115)	(318,754)	(147,078)
Interest paid	(19,990)	(18,159)	(61,706)	(45,807)
Net cash inflow / (outflow) from financing activities	17,367	20,736	(323,456)	(29,516)
Net increase / (decrease) in cash and cash equivalents	313,367	435,902	(491,337)	911,452
Cash and cash equivalents at beginning of the period / year	2,676,472	3,056,484	3,487,876	2,597,512
Effect of exchange rate changes on balances held in foreign currency	5,639	(4,510)	(1,061)	(21,088)
Cash and cash equivalents at end of the period / year	2,995,478	3,487,876	2,995,478	3,487,876

5. CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

5a. Explanatory Notes to Consolidated Statement of Cash Flows

(i) Fourth Quarter

Cash flows from operating activities before changes in working capital decreased from \$431.1 million in 4Q10 to \$394.1 million in 4Q11. Net cash inflow from operating activities for 4Q11 was \$643.5 million compared to \$583.7 million in 4Q10 mainly due to tax refunds from IRAS in 4Q11.

Net cash outflow from investing activities for 4Q11 was \$347.5 million. \$381.4 million was spent on purchase of property, plant and equipment and payment for intangible assets and \$23.0 million was for equity interest into an associate of Integrated Urban Development. The above cash outflows were partially offset by dividends and interests received of \$55.6 million.

Net cash inflow from financing activities for 4Q11 of \$17.4 million was mainly related to net proceeds from borrowings partially offset by dividends and interest paid and purchase of treasury shares.

(ii) Full Year

Cash flows from operating activities before changes in working capital decreased from \$1,440.2 million in FY10 to \$1,380.8 million in FY11. Net cash inflow from operating activities for FY11 was \$975.0 million compared to \$1,702.4 million in FY10 mainly due to Marine's increase in working capital for the ongoing projects.

Net cash outflow from investing activities for FY11 was \$1,142.9 million. \$1,090.2 million was spent on purchase of property, plant and equipment and payment for intangible assets and \$197.6 million was for equity interests into associates and joint ventures. The above cash outflows were partially offset by dividends and interests received of \$140.4 million.

Net cash outflow from financing activities for FY11 of \$323.5 million was mainly related to dividends and interest paid and purchase of treasury shares, partially offset by net proceeds from borrowings.

6. STATEMENTS OF CHANGES IN EQUITY

6a. Statements of Changes in Equity for the Group

	Attributable to owners of the Company							
	Share Capital	Surplus / (Deficit) in other reserves			Accumulated Profits	Total	Non- controlling interests	Total Equity
		Reserve for own shares	Currency	Others				
			Translation Reserve					
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
9M11								
At January 1, 2011	571,099	(5,668)	(230,754)	393,010	3,087,523	3,815,210	1,205,050	5,020,260
Total comprehensive income								
Profit for the period	-	-	-	-	557,397	557,397	226,736	784,133
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	-	(49,893)	-	2	(49,891)	(12,745)	(62,636)
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(2,801)	-	-	(2,801)	-	(2,801)
Net change in fair value of cash flow hedges	-	-	-	(45,553)	-	(45,553)	(44,190)	(89,743)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(21,459)	-	(21,459)	(475)	(21,934)
Net change in fair value of available-for-sale financial assets	-	-	-	(73,357)	-	(73,357)	(47,020)	(120,377)
Share of other comprehensive income of associates and joint ventures	-	-	-	313	-	313	-	313
Total other comprehensive income, net of tax	-	-	(52,694)	(140,056)	2	(192,748)	(104,430)	(297,178)
Total comprehensive income	-	-	(52,694)	(140,056)	557,399	364,649	122,306	486,955
Transactions with owners of the Company, recognised directly in equity								
Cancellation of shares	(5,191)	5,191	-	-	-	-	-	-
Contribution by non-controlling interests	-	-	-	-	-	-	14,537	14,537
Share-based payments	-	-	-	13,444	-	13,444	4,369	17,813
Purchase of treasury shares	-	(37,435)	-	-	-	(37,435)	-	(37,435)
Treasury shares transferred to employees	-	19,028	-	(15,741)	-	3,287	-	3,287
Treasury shares of a subsidiary	-	-	-	(24,913)	-	(24,913)	(15,946)	(40,859)
Realisation of reserve upon disposal of investments and changes in group structure	-	-	(5,399)	2,923	2,879	403	495	898
Dividend paid	-	-	-	-	(304,029)	(304,029)	(314,044)	(618,073)
Total transactions with owners	(5,191)	(13,216)	(5,399)	(24,287)	(301,150)	(349,243)	(310,589)	(659,832)
At September 30, 2011	565,908	(18,884)	(288,847)	228,667	3,343,772	3,830,616	1,016,767	4,847,383
4Q11								
Total comprehensive income								
Profit for the period	-	-	-	-	251,885	251,885	109,792	361,677
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	-	57,429	-	(2)	57,427	18,401	75,828
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	2,578	-	-	2,578	-	2,578
Net change in fair value of cash flow hedges	-	-	-	(13,283)	-	(13,283)	(11,235)	(24,518)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(5,653)	-	(5,653)	136	(5,517)
Net change in fair value of available-for-sale financial assets	-	-	-	(6,974)	-	(6,974)	(4,869)	(11,843)
Share of other comprehensive income of associates and joint ventures	-	-	-	(6,172)	-	(6,172)	(10)	(6,182)
Total other comprehensive income, net of tax	-	-	60,007	(32,082)	(2)	27,923	2,423	30,346
Total comprehensive income	-	-	60,007	(32,082)	251,883	279,808	112,215	392,023
Transactions with owners of the Company, recognised directly in equity								
Cancellation of shares	(336)	336	-	-	-	-	-	-
Contribution by non-controlling interests	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	6,120	-	6,120	2,626	8,746
Purchase of treasury shares	-	(336)	-	-	-	(336)	-	(336)
Treasury shares transferred to employees	-	429	-	(235)	-	194	-	194
Treasury shares of a subsidiary	-	-	-	(943)	-	(943)	(755)	(1,698)
Realisation of reserve upon disposal of investments and changes in group structure	-	-	(500)	(54)	(389)	(943)	1	(942)
Dividend paid	-	-	-	-	-	-	(4,710)	(4,710)
Total transactions with owners	(336)	429	(500)	4,888	(389)	4,092	(2,838)	1,254
At December 31, 2011	565,572	(18,455)	(229,340)	201,473	3,595,266	4,114,516	1,126,144	5,240,660

6. STATEMENTS OF CHANGES IN EQUITY

6a. Statements of Changes in Equity for the Group (Cont'd)

	Attributable to owners of the Company							
	Surplus / (Deficit) in other reserves				Accumulated Profits	Total	Non-controlling interests	Total Equity
	Share Capital	Reserve for Own Shares	Currency Translation Reserve	Others				
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
9M10								
At January 1, 2010	554,037	(21,236)	(120,110)	344,915	2,562,352	3,319,958	915,577	4,235,535
Total comprehensive income								
Profit for the period	-	-	-	-	564,198	564,198	262,198	826,396
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	-	(71,670)	-	1	(71,669)	(14,827)	(86,496)
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(2,210)	-	-	(2,210)	-	(2,210)
Net change in fair value of cash flow hedges	-	-	-	(60,257)	-	(60,257)	(23,302)	(83,559)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(4,392)	-	(4,392)	(63)	(4,455)
Net change in fair value of cash flow hedges transferred to initial carrying value of hedged items	-	-	-	2,798	-	2,798	-	2,798
Net change in fair value of available-for-sale financial assets	-	-	-	44,688	-	44,688	28,214	72,902
Transfer of reserve	-	-	(9)	158	(100)	49	(49)	-
Share of other comprehensive loss of associates and joint ventures	-	-	-	5,451	5	5,456	-	5,456
Total other comprehensive income, net of tax	-	-	(73,889)	(11,554)	(94)	(85,537)	(10,027)	(95,564)
Total comprehensive income	-	-	(73,889)	(11,554)	564,104	478,661	252,171	730,832
Transactions with owners of the Company, recognised directly in equity								
Contribution by non-controlling interests	-	-	-	-	-	-	16,052	16,052
Share-based payments	-	-	-	10,398	-	10,398	3,865	14,263
Treasury shares transferred to employees	-	18,090	-	(11,789)	-	6,301	-	6,301
Treasury shares held by subsidiary	-	-	-	1,978	-	1,978	1,270	3,248
Effects of acquisitions	-	-	-	(917)	-	(917)	23,341	22,424
Realisation of reserve upon disposal of investments and changes in group structure	-	-	-	-	1	1	(718)	(717)
Dividend paid	-	-	-	-	(267,607)	(267,607)	(140,963)	(408,570)
Total transactions with owners	-	18,090	-	(330)	(267,606)	(249,846)	(97,153)	(346,999)
At September 30, 2010	554,037	(3,146)	(193,999)	333,031	2,858,850	3,548,773	1,070,595	4,619,368
4Q10								
Total comprehensive income								
Profit for the period	-	-	-	-	228,673	228,673	117,882	346,555
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	-	(35,302)	-	(1)	(35,303)	(9,705)	(45,008)
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(1,453)	-	-	(1,453)	-	(1,453)
Net change in fair value of cash flow hedges	-	-	-	52,799	-	52,799	28,917	81,716
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(2,178)	-	(2,178)	(636)	(2,814)
Net change in fair value of available-for-sale financial assets	-	-	-	16,877	-	16,877	11,320	28,197
Transfer of reserve	-	-	-	(158)	158	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	(2,780)	(156)	(2,936)	-	(2,936)
Total other comprehensive income, net of tax	-	-	(36,755)	64,560	1	27,806	29,896	57,702
Total comprehensive income	-	-	(36,755)	64,560	228,674	256,479	147,778	404,257
Transactions with owners of the Company, recognised directly in equity								
Issue of ordinary shares as acquisition consideration	17,062	-	-	-	-	17,062	-	17,062
Contribution by non-controlling interests	-	-	-	-	-	-	110	110
Share-based payments	-	-	-	5,431	-	5,431	1,391	6,822
Purchase of treasury shares	-	(3,466)	-	-	-	(3,466)	-	(3,466)
Treasury shares transferred to employees	-	944	-	(443)	-	501	-	501
Effects of acquisitions	-	-	-	(9,569)	-	(9,569)	(8,682)	(18,251)
Realisation of reserve upon disposal of investments and changes in group structure	-	-	-	-	(1)	(1)	(27)	(28)
Dividend paid	-	-	-	-	-	-	(6,115)	(6,115)
Total transactions with owners	17,062	(2,522)	-	(4,581)	(1)	9,958	(13,323)	(3,365)
At December 31, 2010	571,099	(5,668)	(230,754)	393,010	3,087,523	3,815,210	1,205,050	5,020,260

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6b. Statements of Changes in Equity of the Company

	Surplus / (Deficit) in other reserves				Total
	Share Capital	Reserve		Accumulated Profits	
		for own shares	Others		
	\$'000	\$'000	\$'000	\$'000	\$'000
9M11					
At January 1, 2011	571,099	(5,668)	15,537	1,089,251	1,670,219
Total comprehensive income					
Profit for the period	-	-	-	497,581	497,581
Transactions with owners of the Company, recognised directly in equity					
Cancellation of shares	(5,191)	5,191	-	-	-
Share-based payments	-	-	6,686	-	6,686
Purchase of treasury shares	-	(37,435)	-	-	(37,435)
Treasury shares transferred to employees	-	19,028	(15,741)	-	3,287
Dividends paid	-	-	-	(304,029)	(304,029)
Total transactions with owners	(5,191)	(13,216)	(9,055)	(304,029)	(331,491)
At September 30, 2011	565,908	(18,884)	6,482	1,282,803	1,836,309
4Q11					
Total comprehensive income					
Profit for the period	-	-	-	26,316	26,316
Transactions with owners of the Company, recognised directly in equity					
Cancellation of shares	(336)	336	-	-	-
Share-based payments	-	-	2,324	-	2,324
Purchase of treasury shares	-	(336)	-	-	(336)
Treasury shares transferred to employees	-	429	(235)	-	194
Total transactions with owners	(336)	429	2,089	-	2,182
At December 31, 2011	565,572	(18,455)	8,571	1,309,119	1,864,807
9M10					
Surplus / (Deficit) in other reserves					
	Share Capital	Reserve		Accumulated Profits	Total
		for own shares	Others		
	\$'000	\$'000	\$'000	\$'000	\$'000
At January 1, 2010	554,037	(21,236)	20,405	1,026,088	1,579,294
Total comprehensive income					
Profit for the period	-	-	-	297,101	297,101
Transactions with owners of the Company, recognised directly in equity					
Share-based payments	-	-	5,613	-	5,613
Treasury shares transferred to employees	-	18,090	(11,789)	-	6,301
Dividends paid	-	-	-	(267,607)	(267,607)
Total transactions with owners	-	18,090	(6,176)	(267,607)	(255,693)
At September 30, 2010	554,037	(3,146)	14,229	1,055,582	1,620,702
4Q10					
Total comprehensive income					
Profit for the period	-	-	-	33,669	33,669
Transactions with owners of the Company, recognised directly in equity					
Issue of shares	17,062	-	-	-	17,062
Share-based payments	-	-	1,751	-	1,751
Purchase of treasury shares	-	(3,466)	-	-	(3,466)
Treasury shares transferred to employees	-	944	(443)	-	501
Total transactions with owners	17,062	(2,522)	1,308	-	15,848
At December 31, 2010	571,099	(5,668)	15,537	1,089,251	1,670,219

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6c. Changes in the Company's share capital

Issued and paid up capital

In 4Q11, the Company cancelled 100,000 (4Q10: nil) ordinary shares from its treasury shares which have a value of \$0.3 million.

As at December 31, 2011, the Company's issued and paid up capital excluding treasury shares comprises 1,783,617,959 (December 31, 2010: 1,787,750,040) ordinary shares.

Share Options

During 4Q11, 91,250 (4Q10: 219,285) share options under the Company's Share Option Plan ("SOP") were exercised and settled by way of issuance of treasury shares.

As at December 31, 2011, there were 2,885,939 (December 31, 2010: 4,594,539) unissued ordinary shares under options granted to eligible employees and directors under the Company's SOP.

Performance Shares

During 4Q11, no (4Q10: nil) performance shares were awarded under the Performance Share Plan ("PSP"). No (4Q10: nil) performance shares were released and no (4Q10: 75,000) performance shares lapsed.

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at December 31, 2011, was 2,633,333 (December 31, 2010: 2,611,665). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 3,950,000 (December 31, 2010: 3,917,498) performance shares.

Restricted Stocks

During 4Q11, no (4Q10: nil) restricted stocks were awarded under the Restricted Stock Plan ("RSP"). 35,490 (4Q10: nil) restricted stocks were released and 21,878 (4Q10: 86,516) restricted stocks lapsed.

The total number of restricted shares outstanding, including awards achieved but not released, as at end December 31, 2011 was 6,170,329 (December 31, 2010: 5,515,446). Of this, the total number of restricted stocks in awards granted conditionally and representing 100% of targets to be achieved, but not released was 4,244,200 (December 31, 2010: 4,097,300). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 6,366,300 (December 31, 2010: 6,145,950) restricted stocks.

Treasury shares

During 4Q11, the Company acquired 100,000 (4Q10: 692,000) ordinary shares in the Company by way of on-market purchases and cancelled 100,000 (4Q10: nil) treasury shares. 91,250 (4Q10: 219,285) treasury shares were re-issued pursuant to the SOP.

As at December 31, 2011, 3,929,773 (December 31, 2010: 1,231,692) treasury shares were held that may be re-issued upon the exercise of options under the SOP and upon the vesting of performance shares and restricted stocks under the PSP and RSP respectively.

7. AUDIT

The figures have not been audited nor reviewed by the Company's auditors.

8. AUDITORS' REPORT

Not applicable.

9. ACCOUNTING POLICIES

Except as disclosed in paragraph 10 below, 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, 2010.

10. CHANGES IN ACCOUNTING POLICIES

The following new/amended FRSs have become effective from January 1, 2011.

Amendments to FRS 24 - Related party disclosures
Amendments to FRS 32 Financial instruments: Presentation - Classification of rights issues
Amendments to FRS 103 - Business combinations
Amendments to INT FRS 114 - Prepayments of a minimum funding requirement
INT FRS 115 Agreements for the construction of real estate
INT FRS 119 Extinguishing financial liabilities with equity instruments
Improvements to FRSs 2010

The adoption of the above FRSs (including consequential amendments) does not have any significant impact on the financial statements.

11. REVIEW OF GROUP PERFORMANCE

Group Overview

The Group delivered a healthy performance in FY11. Net profit attributable to shareholders of the Company for FY11 grew 2% from \$792.9 million in FY10 to \$809.3 million, while turnover was up 3% from \$8.8 billion in the previous year to \$9.0 billion.

Turnover

	<u>4Q11</u>	<u>4Q10</u>	<u>Growth</u>		<u>FY11</u>	<u>FY10</u>	<u>Growth</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Utilities	1,211,501	1,033,699	177,802	17	4,893,451	3,993,208	900,243	23
Marine	996,548	982,537	14,011	1	3,956,312	4,553,341	(597,029)	(13)
Integrated Urban Development*	1,824	5,132	(3,308)	(65)	8,862	16,226	(7,364)	(45)
Others/Corporate	36,012	47,045	(11,033)	(24)	188,441	200,839	(12,398)	(6)
	<u>2,245,885</u>	<u>2,068,413</u>	<u>177,472</u>	<u>9</u>	<u>9,047,066</u>	<u>8,763,614</u>	<u>283,452</u>	<u>3</u>

* Formally known as Industrial Parks

The increase in Utilities' turnover in 4Q11 and FY11 was mainly attributable to our Singapore operations, where part of the revenue was indexed to higher High Sulphur Fuel Oil ("HSFO") prices recorded in this period. The increase in turnover was also contributed by the delivery of additional gas from our second gas sales agreement.

Marine's turnover for 4Q11 increased mainly due to the revenue recognition from ship conversion and offshore projects, offset by lower revenue recognition from rig building projects. In FY11, Marine's turnover decreased by 13% to \$4.0 billion mainly due to lower revenue recognition from rig building projects, the resumption of revenue recognition on delivery of Petro Rig III semi-submersible rig and the sale of CJ-70 harsh environment jack-up rig in FY10. This was partially mitigated by higher revenue recognition from ship conversion and offshore projects.

Most of Integrated Urban Development's businesses are associates or joint ventures. Integrated Urban Development's turnover is derived from providing services to these associates or joint ventures. The decrease in turnover was mainly due to lower rental income.

Turnover of Others/Corporate was mainly contributed by a subsidiary dealing in specialised construction activities. Decrease in turnover in 4Q11 and FY11 was mainly due to timing difference in recognition of projects.

11. REVIEW OF GROUP PERFORMANCE (Cont'd)

Net profit attributable to shareholders of the Company ("Net Profit")

	4Q11	4Q10	Growth		FY11	FY10	Growth	
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Utilities	88,176	54,363	33,813	62	304,364	231,248	73,116	32
Marine	138,297	145,860	(7,563)	(5)	456,228	492,844	(36,616)	(7)
Integrated Urban Development	20,843	19,364	1,479	8	38,747	36,863	1,884	5
Others/Corporate	4,569	9,086	(4,517)	(50)	9,943	(166)	10,109	NM
Net Profit before exceptional item	251,885	228,673	23,212	10	809,282	760,789	48,493	6
Exceptional item (EI)	-	-	-	-	-	32,082	(32,082)	(100)
Net Profit	251,885	228,673	23,212	10	809,282	792,871	16,411	2

The Utilities business delivered a strong performance during the quarter. 4Q11 Net Profit grew 62% to \$88.2 million, driven primarily by better operating performance from Singapore. In FY11, Net Profit increased by 32% to \$304.4 million with better performance from all regions except Rest of Asia & Australia. The results of our Australian associate was affected mainly by integration costs and purchase price allocation adjustments relating to its acquisition of WSN Environmental Solutions.

Marine's net profit for 4Q11 was lower mainly due to the margin recognition of the initial few units of the newly launched designs for rig building projects as compared to the margin recognition from the repeated rig building projects in 4Q10. For FY11, net profit was lower mainly due to fewer jack-up and semi-submersible rig projects. This was mitigated by the higher interest income received in FY11 for deferred payment granted to customers and write-back of prior years' tax over-provisions.

Integrated Urban Development's net profit for 4Q11 was better primarily due to higher land sales recognised.

Net profit for Others/Corporate in 4Q10 included write-back of prior year's tax provision. FY10 included acquisition-related costs for Sembcorp Utilities (Netherlands) N.V. (formerly known as Cascal N.V.).

The exceptional item in FY10 relates to Marine's full and final amicable settlement of the disputed foreign exchange transactions.

12. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

13. PROSPECTS

Utilities

Our Utilities business is expected to deliver a steady performance in 2012 despite our cogeneration plant in Singapore undertaking a planned major maintenance during the year. However, the weaker macro-economic environment may impact power and carbon prices and affect the performance of our energy businesses in Singapore and the UK.

With a healthy pipeline of projects both in Singapore and overseas, we are committed to delivering long-term growth through the focused execution of these projects as well as the active pursuit of new growth opportunities.

Marine

Our Marine business has a current net orderbook of S\$6.3billion with completion and deliveries stretching till the second quarter of 2015. This includes S\$3.72 billion in contract orders secured in 2011 and S\$1.3 billion worth of contracts secured since the start of 2012.

Despite the global macro-economic uncertainty, fundamentals for the offshore oil and gas industry remain intact underpinned by high oil prices and projected increases in exploration and production spending. The offshore market continues to display signs of cyclical improvement, especially in the deep and ultra-deepwater segments fuelled by the growing needs of operators in multiple regions. Ship repair continues to see strong demand while alliance partners and long-term customers continue to provide a stable baseload for the business.

In Brazil, wholly-owned shipyard Estaleiro Jurong Aracruz is strategically positioned to support developments in one of the world's fastest growing offshore oil and gas exploration markets. In Singapore, the Integrated New Yard facility in Tuas View Extension will become operational in 2013 and will nearly double Marine's ship repair and ship conversion and offshore capacity from the current 1.9 million deadweight tonnes.

Overall, competition is intense though enquiries for the various segments of the market remain robust.

Integrated Urban Development

The Integrated Urban Development business is expected to deliver better performance in 2012 compared to 2011, in anticipation of contribution from the Sino-Singapore Nanjing Eco Hi-tech Island project. Our projects in Vietnam and China remain attractive destinations for foreign investors. However, the slowdown in the global economy may delay potential customer investment decisions that could impact the pace of our land sales and moderate the demand for commercial and residential space.

Group

With the continuing crisis in Europe and weaker growth in developing countries, 2012 is expected to be a volatile year. Despite this uncertain global economic outlook, the Group, underpinned by resilient businesses and a healthy pipeline of projects, will continue to make every effort to position our businesses for sustained growth.

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, exchange rate movement, 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.

14. SUBSEQUENT EVENT

Subsequent to year end, the Group increased its shareholdings in Sembcorp Utilities (Netherlands) N.V. from 97.66 % to 98.31% following the completion of the transfer of 200,000 shares from WAGCAP Advisors LLC to the Group. The consideration of US\$6.75 per share is the same as the price paid by the Group under the voluntary tender offer under which it acquired the 97.66% stake.

15. DIVIDEND

(a) Current Financial Year Reported On

Name of Dividend	Proposed 2011 Final Ordinary Exempt-1-Tier	Proposed 2011 Final Bonus Exempt-1-Tier	2011 Total
Dividend Type	Cash	Cash	Cash
Dividend Amount (cents per shares)	15.0	2.0	17.0

(b) Corresponding Year of the Immediately Preceding Financial Year

Name of Dividend	2010 Final Ordinary Exempt-1-Tier	2010 Final Bonus Exempt-1-Tier	2010 Total
Dividend Type	Cash	Cash	Cash
Dividend Amount (cents per shares)	15.0	2.0	17.0

(c) Date payable

The proposed final tax exempt 1-Tier dividend of 17.0 cents per ordinary share, if approved at the AGM to be held on April 24, 2012, will be paid on May 15, 2012.

(d) Books closure date

Notice is hereby given that the Register of Members and Share Transfer Books of the Company will be closed on May 2, 2012. Duly completed transfers of shares received by the Company's Share Registrar, M&C Services Private Limited at 138 Robinson Road #17-00 The Corporate Office, Singapore 068906, up to 5.00 p.m. on April 30, 2012 will be registered to determine shareholders' entitlements to the proposed dividend.

(e) Total Annual Dividend and Capital Distribution (in dollar value)

	FY11 \$'000	FY10 \$'000
Final ordinary dividend*	267,543	268,163
Bonus dividend*	35,672	35,755
Total	303,215	303,918

*FY11 dividend is estimated based on the share capital of 1,783,617,959 ordinary shares at the end of the financial year.

16. SEGMENTAL REPORTING

FY11

(i) Operating segments

	Utilities	Marine	Integrated Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover						
External sales	4,893,451	3,956,312	8,862	188,441	-	9,047,066
Inter-segment sales	44,033	3,918	3,969	21,650	(73,570)	-
Total	4,937,484	3,960,230	12,831	210,091	(73,570)	9,047,066
Results						
Segment results	355,663	739,121	(246)	6,568	-	1,101,106
Interest income	3,836	59,977	143	40,786	(40,174)	64,568
Finance costs	(59,854)	(2,491)	(47)	(43,450)	40,174	(65,668)
	299,645	796,607	(150)	3,904	-	1,100,006
Share of results of associates	32,552	46,695	11,380	-	-	90,627
Share of results of joint ventures	32,581	6,580	35,005	5,780	-	79,946
	364,778	849,882	46,235	9,684	-	1,270,579
Tax expense	(43,839)	(80,958)	(90)	118	-	(124,769)
Non-controlling interests	(16,575)	(312,696)	(7,398)	141	-	(336,528)
Net profit for the year	304,364	456,228	38,747	9,943	-	809,282

Assets

Segment assets	5,331,221	4,671,541	169,787	1,714,706	(1,552,058)	10,335,197
Interests in associates	161,440	332,657	349,030	-	-	843,127
Interests in joint ventures	243,072	63,294	129,830	65,377	-	501,573
Tax assets	65,949	2,261	1,560	2,958	-	72,728
Total assets	5,801,682	5,069,753	650,207	1,783,041	(1,552,058)	11,752,625

Liabilities

Segment liabilities	3,736,114	2,281,758	50,331	1,338,347	(1,552,058)	5,854,492
Tax liabilities	376,638	262,336	9,826	8,673	-	657,473
Total liabilities	4,112,752	2,544,094	60,157	1,347,020	(1,552,058)	6,511,965

Capital expenditure

	611,335	471,499	698	8,360	-	1,091,892
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Significant non-cash items

Depreciation and amortisation	141,719	86,706	1,430	4,961	-	234,816
Other non-cash items (including provisions, loss on disposal and exchange differences)	39,401	22,438	2,083	1,061	-	64,983

(ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	4,595,732	51	2,948,139	45	7,751,533	66	638,309	59
China	87,659	1	885,639	13	947,856	8	23,606	2
Rest of Asia & Australia	518,514	6	551,067	8	595,345	5	16,132	1
Middle East & Africa	111,812	1	1,151,478	18	1,259,582	11	351,118	32
UK	964,366	10	755,738	12	917,494	8	39,824	4
Rest of Europe	1,971,252	22	62,682	1	70,912	1	-	-
Other Countries	797,731	9	180,821	3	209,903	1	22,903	2
Total	9,047,066	100	6,535,564	100	11,752,625	100	1,091,892	100

16. SEGMENTAL REPORTING (Cont'd)

FY10

(i) Operating segments

	Utilities	Marine	Integrated Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover						
External sales	3,993,208	4,553,341	16,226	200,839	-	8,763,614
Inter-segment sales	38,810	1,522	3,504	1,563	(45,399)	-
Total	4,032,018	4,554,863	19,730	202,402	(45,399)	8,763,614
Results						
Segment results	244,009	998,160	2,681	(8,963)	-	1,235,887
Interest income	3,597	28,795	209	34,949	(35,074)	32,476
Finance costs	(50,480)	(7,134)	-	(38,589)	35,074	(61,129)
	197,126	1,019,821	2,890	(12,603)	-	1,207,234
Share of results of associates	33,645	43,490	8,500	-	-	85,635
Share of results of joint ventures	35,876	3,362	29,229	5,993	-	74,460
	266,647	1,066,673	40,619	(6,610)	-	1,367,329
Tax (expense) / credit	(30,187)	(172,999)	2,479	6,329	-	(194,378)
Non-controlling interests	(5,212)	(368,748)	(6,235)	115	-	(380,080)
Net profit for the year	231,248	524,926	36,863	(166)	-	792,871
Comprising:						
Net profit before exceptional item	231,248	492,844	36,863	(166)	-	760,789
Exceptional item	-	32,082	-	-	-	32,082
	231,248	524,926	36,863	(166)	-	792,871
Assets						
Segment assets	4,672,147	4,974,816	176,706	1,429,179	(1,560,248)	9,692,600
Interests in associates	105,636	274,687	306,278	-	-	686,601
Interests in joint ventures	133,456	48,155	99,575	66,241	-	347,427
Tax assets	56,883	47	1,560	106,423	-	164,913
Total assets	4,968,122	5,297,705	584,119	1,601,843	(1,560,248)	10,891,541
Liabilities						
Segment liabilities	3,083,796	2,206,359	30,102	1,348,393	(1,560,248)	5,108,402
Tax liabilities	372,199	384,636	11,105	(5,061)	-	762,879
Total liabilities	3,455,995	2,590,995	41,207	1,343,332	(1,560,248)	5,871,281
Capital expenditure	561,761	98,150	53	1,803	-	661,767
Significant non-cash items						
Depreciation and amortisation	151,275	83,625	2,053	5,186	-	242,139
Other non-cash items (including provisions, loss on disposal and exchange differences)	36,084	59,639	3,767	3,242	-	102,732

(ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	4,228,900	48	2,625,613	48	7,563,771	69	112,679	17
China	63,259	1	793,195	15	845,580	8	28,626	4
Rest of Asia & Australia	690,066	8	339,069	6	420,156	4	7,535	1
Middle East & Africa	348,509	4	798,501	14	865,631	8	454,196	69
UK	825,480	9	731,402	13	908,496	8	54,705	8
Rest of Europe	1,628,319	19	74,877	1	88,472	1	-	-
Other Countries	979,081	11	164,692	3	199,435	2	4,026	1
Total	8,763,614	100	5,527,349	100	10,891,541	100	661,767	100

16. SEGMENTAL REPORTING (Cont'd)

Notes to Segmental Analysis

16a. Operating Segments

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) The Utilities segment's principal activities are in the provision of energy, water, on-site logistics and solid waste management. Key activities in the energy sector include power generation and retail, process steam production and supply, as well as natural gas import, supply and retail. In the water sector, the business offers wastewater treatment as well as the production and supply of reclaimed, desalinated and potable water and water for industrial use.
- (ii) The Marine segment focuses on repair, building and conversion of ships and rigs, and on offshore engineering.
- (iii) The Integrated Urban Development segment owns, develops, markets and manages integrated industrial parks and townships in Asia.
- (iv) Others / Corporate segment comprises businesses mainly relating to minting, design and construction activities, offshore engineering and the corporate companies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

16b. Geographical Segments

The Group operates in seven principal geographical areas: Singapore, China, Rest of Asia & Australia, Middle East & Africa, UK, Rest of Europe and Other Countries. 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.

16c. Review of segment performance

Please refer to Paragraph 11 for analysis by operating segments.

17. Quarterly Analysis

	1Q 2011	2Q 2011	3Q 2011	4Q 2011	FY 2011	1Q 2010	2Q 2010	3Q 2010	4Q 2010	FY 2010
	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil
Turnover										
Utilities	1,113	1,284	1,285	1,211	4,893	986	984	989	1,034	3,993
Marine	828	830	1,302	997	3,957	1,359	1,098	1,114	983	4,554
Integrated Urban Development	2	2	3	2	9	4	3	4	5	16
Others / Corporate	60	50	42	36	188	57	50	47	47	201
	2,003	2,166	2,632	2,246	9,047	2,406	2,135	2,154	2,069	8,764
Net Profit attributable to shareholders of the Company										
Utilities	61	76	79	88	304	60	58	59	54	231
Marine	92	91	135	138	456	91	107	149	146	493
Integrated Urban Development	4	7	7	21	39	4	7	6	20	37
Others / Corporate	3	1	1	5	10	4	(11)	(2)	9	-
Net Profit before exceptional item	160	175	222	252	809	159	161	212	229	761
Exceptional item (EI)	-	-	-	-	-	-	-	32	-	32
Net Profit	160	175	222	252	809	159	161	244	229	793

18. INTERESTED PERSON TRANSACTIONS

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

	4Q11	FY11
	\$'000	\$'000
<u>Sale of Goods and Services</u>		
Temasek Holdings (Private) Limited and its Associates		
- PSA International Pte Ltd and its Associates	909	3,606
- Singapore Power Ltd and its Associates	519	2,058
- Temasek Capital (Private) Limited and its Associates	881	1,876
- Singapore Technologies Telemedia Pte Ltd and its Associates	152	575
	<hr/> 2,461	<hr/> 8,115
SMRT Corporation Ltd and its Associates	-	65,773
Starhub Ltd and its Associates	216	1,791
SATS Ltd and its Associates	57	210
	<hr/> 2,734	<hr/> 75,889
<u>Purchase of Goods and Services</u>		
Temasek Holdings (Private) Limited and its Associates		
- Temasek Capital (Private) Limited and its Associates ¹	243,868	911,440
- Singapore Power Ltd and its Associates	1,476	4,032
- Certis CISCO Security Pte Ltd	59	218
	<hr/> 245,403	<hr/> 915,690
SMRT Corporation Ltd and its Associates	302	1,204
Singapore Technologies Engineering Ltd and its Associates	105	230
	<hr/> 245,810	<hr/> 917,124
<u>Management and Support Services</u>		
- Temasek Capital (Private) Limited and its Associates	1,165	2,260
Total interested person transactions	<hr/> 249,709 <hr/>	<hr/> 995,273 <hr/>

Note:

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

There were no transactions which were not conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual during the period January 1, 2011 to December 31, 2011.

19. **REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Kwong Sook May (Ms)
Company Secretary
February 27, 2012