

# 1Q2008 Results Announcement

May 14, 2008



## Scope of Presentation



- CEO's Report
- Financial Review
- Group Outlook



# CEO's Report

**Tang Kin Fei**

Group President & CEO

## 1Q2008 Performance Round-Up

**Turnover of \$2.2 bn, up 17%**

**PBT of \$204m, up 8%**

**PATMI at \$123m**

**Return on Equity (annualised) at 16%**

**Strong balance sheet and cashflow**

- Interest cover at 14 times
- Operating cash flow of \$221m

**Rewarding Shareholders**

- FY2007 final tax exempt 1-tier dividend of 15.0 cents per ordinary share to be paid on May 15, 2008

## 1Q2008 Update



### Significant milestones in water

- Awarded DBOO contract for Singapore's latest and largest NEWater project in February. The Changi NEWater facility will produce 50 mgd per day by 2010 for a term of 25 years
- Entered JVA for industrial water recycling facility in Zhangjiagang Free Trade Zone, China. 40,000 m<sup>3</sup>/day plant will recycle effluent to recycled water and demineralised water. Project selected as G-to-G showcase

### Broadening our recurring earnings base

- Signed US\$5.5 billion conditional Gas Sales Agreement to import additional 90 BBtu per day of natural gas from Indonesia to Singapore in April 2008. Gas delivery targeted for 2010/2011

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## Financial Review



**Lim Joke Mui**

Group CFO

## Group Profit & Loss



(\$M)	1Q08	1Q07	Δ%
Turnover	2,153	1,848	17
EBITDA	211	204	3
EBIT	163	160	2
PBT	204	189	8
PATMI	123	129	(4)
EPS (cents)	6.9	7.3	(5)

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## Group Turnover



(\$M)	1Q08	1Q07	Δ%
Utilities <sup>1</sup>	1,123	781	44
Marine	915	954	(4)
Environment	53	48	9
Industrial Parks	4	9	(55)
Other Businesses <sup>1</sup>	58	56	3
<b>TOTAL</b>	<b>2,153</b>	<b>1,848</b>	<b>17</b>

<sup>1</sup> Offshore Engineering has been re-classified from "Utilities" to "Other Businesses"

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## Group PATMI



(\$M)	1Q08	1Q07	Δ%
Utilities <sup>1</sup>	60.9	66.0	(8)
Marine	56.0	46.0	22
Environment	0.8	3.9	(79)
Industrial Parks	6.0	8.1	(26)
Other Businesses <sup>1</sup>	6.7	7.5	(11)
Corporate	(7.3)	(2.8)	(161)
<b>TOTAL</b>	<b><u>123.1</u></b>	<b><u>128.7</u></b>	<b>(4)</b>

<sup>1</sup> Offshore Engineering has been re-classified from "Utilities" to "Other Businesses"

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## Utilities Turnover & PATMI



(\$M)	1Q08	1Q07	Δ%
<b>TURNOVER</b>			
Singapore	873.6	549.1	59
UK	239.1	223.5	7
Other countries	17.8	15.2	17
<b>Total Revenue</b>	<b><u>1,130.5</u></b>	<b><u>787.8</u></b>	<b>44</b>
<b>PATMI</b>			
Singapore	27.9	15.7	78
UK	33.2	45.4	(27)
Other countries	4.5	6.4	(30)
Corporate & Others	(4.7)	(1.5)	(213)
<b>TOTAL PATMI</b>	<b><u>60.9</u></b>	<b><u>66.0</u></b>	<b>(8)</b>

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## Group Capex



(\$M) 1Q08

		1Q08
<b>Fixed Asset Items</b>		<b>65.9</b>
– Utilities	38.8	
– Marine	24.2	
– Environment	1.6	
– Other Businesses	1.3	
<b>Equity Investments</b>		<b>18.3</b>
– Utilities	17.6	
– Industrial Parks	0.7	
<b>TOTAL</b>		<b>84.2</b>

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## Group Cash Flow



(\$M) 1Q08 1Q07

	1Q08	1Q07
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
– before changes in working capital	221	202
– changes in working capital	814	(41)
– tax paid	(3)	(12)
	<b>1,032</b>	<b>149</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
– divestment proceeds & sale of fixed assets	-	20
– acquisitions of investments	(1)	-
– acquisitions of fixed assets	(66)	(106)
– dividends, interest & others	9	10
	<b>(58)</b>	<b>(76)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
– issue of shares by Sembcorp/subsidiaries	4	13
– purchase of treasury shares by Sembcorp/subsidiaries	(87)	-
– repayment of loans & interest	(87)	(61)
– dividend paid & others	(7)	(12)
	<b>(177)</b>	<b>(60)</b>
<b>NET INFLOW DURING THE PERIOD</b>	<b>797</b>	<b>13</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>2,101</b>	<b>1,183</b>
<b>FREE CASH FLOW</b>	<b>1,040*</b>	<b>106</b>

\*Free cash flow: operating cash flow plus investing cash flow adjusted for expansion capital expenditure of \$66 million

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## Group Borrowings



(\$M)	Mar 31, 08	Dec 31, 07
PF loans	478	511
Long-term	394	398
Short-term	389	432
<b>Gross</b>	<b>1,261</b>	<b>1,341</b>
Less: Cash and FD	(2,111)	(1,297)
<b>Net (Cash) / Debt</b>	<b>(850)</b>	<b>44</b>
<b>Net Gearing Ratio</b>	<b>Net Cash</b>	<b>0.01</b>
<b>Exclude PF*</b>		
<b>Net Cash</b>	<b>1,098</b>	<b>306</b>
<b>Net Gearing Ratio</b>	<b>Net Cash</b>	<b>Net Cash</b>

\* PF – Non-recourse project financing

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## Financial Indicators



	1Q08	FY07 (ACTUAL)
<b>Before EI</b>		
EPS (cents)	27.7 *	31.3
ROE (%)	15.6 *	19.0
ROTA (%)	8.2 *	9.6
Interest Cover (times)	14	16
<b>After EI</b>		
EPS (cents)	27.7 *	29.6
ROE (%)	15.6 *	18.0
ROTA (%)	8.2 *	8.7
Interest Cover (times)	14	15
<b>Per Share</b>		
NAV (\$)	1.65	1.70
NTA (\$)	1.59	1.64
<b>Economic Value Added</b>	<b>1Q08</b>	<b>1Q07</b>
EVA (\$M)	122.2	85.4

\*Annualised

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# Group Outlook



## 2008 Group Outlook



Barring unforeseen circumstances, in FY2008 the Group expects to maintain its FY2007 PATMI before exceptional items and the one-off tax writeback in 2007.



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