

*PRESS RELEASE***SEMBCORP DELIVERS RECORD PROFITS FOR FY2006**

- **PATMI up 240% to a record \$1.03 billion**
- **PATMI before exceptional items up 36% to \$379.6 million**
- **PATMI before exceptional items from continuing operations up 52% to \$371.9 million**

Singapore, February 16, 2007 - SembCorp Industries (SembCorp) concluded a landmark year of transformation by delivering record full-year financial results for 2006. Profit after tax and minority interest (PATMI) for the year rose 240% to a new high of \$1.03 billion, whilst PATMI before exceptional items (EI) grew 36% to \$379.6 million. PATMI before EI from continuing operations rose 52% to \$371.9 million, whilst turnover from continuing operations increased 30% to \$7.5 billion, demonstrating clear growth in SembCorp's core businesses.

SembCorp's return on equity stood at a strong 43%, while earnings per share rose 241% to 58.5 cents. Excluding EI, return on equity was a healthy 18% while earnings per share was 21.6 cents.

SembCorp's strong growth and performance was driven primarily by its utilities and marine and offshore engineering businesses, which together accounted for 95% of the Group's turnover and PATMI before EI. Utilities' PATMI before EI rose 52% to \$223.7 million, underpinned by robust growth from its UK operations and positive contribution from Utilities' former offshore engineering unit. Meanwhile, marine and offshore engineering's contribution to Group PATMI rose 97% to \$146.7 million due to higher operating margins from rig building and ship repair businesses, gain on disposal of investments as well as better contribution from its associated companies.

Mr Tang Kin Fei, SembCorp's Group President & CEO said, "2006 has been an exceptional year of performance for SembCorp. We are now focused and are poised for further growth with sound fundamentals in our utilities and marine & offshore engineering businesses. Backed further by our strong balance sheet and favourable industry prospects, SembCorp is in a better position than it has ever been to seize global opportunities as they arise, and grow."

2006 Dividend

In light of the strong performance in 2006, the Board of Directors is pleased to propose a final gross dividend of 28.9 cents per ordinary share (net: 28.0 cents) for 2006, amounting to five times the net dividend paid in 2005. This comprises a 12.9 cents per share ordinary dividend (net: 12.0 cents), representing a payout of 56% of net profit from operations and a 16.0 cents per share special dividend (1-tier). The special dividend, together with the 15.0 cents per share capital reduction (tax exempt) paid in August 2006 accounts for a payout of 84% from exceptional profits.

2007 Outlook

Barring unforeseen circumstances, the Group's overall operating performance in 2007 is expected to be better than that of 2006 on a comparable basis, which excludes net profits arising from exceptional items in 2006.

Highlights for SembCorp's FY2006 Financial Results

- **Record Group PATMI hitting \$1.03 billion, up 240%**
- **Strong Earnings Growth from Continuing Operations**
 - Turnover of \$7.5 billion, up 30%
 - PATMI before EI of \$371.9 million, up 52%
- **Healthy Balance Sheet**
 - Net gearing at 0.04x
 - Interest cover at 13 times
- **Return On Equity increased to 18%**
- **Economic Value Added at \$924.7 million**
- **Delivering Shareholder Returns**
 - Proposing total dividend of 28.9 cents per share (net: 28.0 cents)
 - Final gross ordinary dividend of 12.9 cents per share (net: 12.0 cents)
 - Special dividend of 16.0 cents per share (1-tier)
 - Represents five times net dividend paid in 2005
 - 2006 total shareholder return at 44% versus Straits Times Index's 27%

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About SembCorp Industries

SembCorp Industries Ltd is a leading utilities and marine group. The Group provides centralised utilities and energy to industrial customers in Singapore, the United Kingdom, Asia and the Middle East. It is a global leader in marine and offshore engineering and also a provider of industrial park and environmental management services in the region.

SembCorp Industries has total assets of over S\$7.0 billion and employs more than 7,500 employees.

Listed on the main board of the Singapore Exchange, SembCorp Industries is a component stock of the Straits Times Index and several MSCI indices.