SembCorp Industries

Co Regn No: 1998022418D

August 11, 2005

SEMBCORP INDUSTRIES POSTS STRONG 1H2005

- **PATMI UP 40% TO $146.7 MILLION**
- **TURNOVER UP 23% TO $3.5 BILLION**

SembCorp Industries (SCI) turned in a strong first half 2005 performance, powered by good showing from its Utilities, Marine and Logistics businesses. The Group's profit attributable to shareholders of the Company (PATMI) rose 40% from 1H2004 to $146.7 million while turnover grew 23% to $3.5 billion from the same period last year.

SembCorp Utilities' 1H2005 PATMI grew 40% to $70.8 million driven mainly by stronger overseas businesses. Contribution from overseas operations excluding exceptional items (EI) achieved credible growth of 25% over 1H2004. The high power market coupled with the increased take-up volumes on site, have led to robust performance by its UK operations in Teesside. Meanwhile drought conditions in northern Vietnam have triggered higher power dispatch from its Vietnam power plant, Phu My 3.

Commented SCI's Group's President and CEO, Mr Tang Kin Fei, "Overseas operations excluding EI contribution now accounts for 33% of integrated utilities and energy's PATMI. This clearly affirms that our overseas thrust is bearing fruit. We will continue to push outwards and strengthen our various footholds in the international market."

Over and above the good performance by its operations, SembCorp Utilities also achieved several milestones for its pipeline projects in China. As such, it now expects its Shanghai cogeneration plant to commence commercial operations by end of 2005, ahead of schedule. SembCorp Utilities on June 8, 2005, further established a third beachhead in China when it inked a Joint Venture Agreement to acquire a 20,000 m^3/ day industrial wastewater treatment plant in ZhangJiaGang Free Trade Zone.

For 1H2005, the Group's Marine business delivered another record set of results. SembCorp Marine's turnover reached $908 million while the Group's share of Marine's PATMI grew 18% to $36 million. During the period it clinched an unprecedented $5 billion order book and also announced that it would be paying an interim dividend of 2.5 cents at half year.

Meanwhile SembCorp Logistics' higher earnings in 1H2005 came from the good performance of its Supply Chain Management operations in South East Asia.

Outlook

"Favourable industry dynamics coupled with our entrenched market positioning stand the Group in good stead to deliver an overall healthy performance for 2005. We will continue to capitalise on upward growth trends especially in the petrochemical, oil and gas sectors and exploit the opportunities that arise," guided Mr Tang.

The Group's overall operating performance for 2005 is expected to be better than that of 2004 on a comparable basis, which excludes profit contribution from Kuehne & Nagel International (KNI) in 2004.

SembCorp 1H2005 Financial Highlights

Strong earnings growth

- Turnover of $3.5 billion, up 23%
- PATMI of $146.7 million, up 40%
- PATMI before EI (excluding KNI) of $131.7 million, up 45%

Solid performance from key businesses

- Utilities, Marine and Logistics achieved double-digit growth

Healthy Balance Sheet

- Net gearing of 0.02
- Interest cover at 10 times

Strong operating cash flow

- Operating cash flow at $462 million

Sustainable growth for the future

- Strong Group orderbook of $8 billion as at 30 June 2005 (excluding long term contracts in Utilities and Logistics)
- Earnings underpinned by stable and sustainable earnings from key businesses

-End-

For media and analysts' enquiries, please contact:

Lim Siew Khee
Group Corporate Relations
Tel: +65 6723 3076 *Email: lim.siewkhee@sembcorp.com.sg*
Fax: +65 6822 3240 *Website: www.sembcorp.com.sg*