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SEMBCORP INDUSTRIES REPORTS STRONG GROWTH FOR FIRST QUARTER 2005

- **PATMI of \$72.3 million, up 64%**
- **Turnover of \$1.9 billion , up 35%**

SembCorp Industries reported strong earnings and turnover for the first quarter ended 31 March 2005. Group Profit After Tax and Minority Interest (PATMI) climbed 64% to reach \$72.3 million against 1Q2004. Group turnover was \$1.9 billion, an increase of 35% over 1Q2004.

“We have started the year on a solid footing, delivering strong performance for the first quarter of 2005. Our businesses are seeing continued growth from last year,” remarked Group President and CEO, Mr. Tang Kin Fei.

Utilities delivered robust turnover of \$683 million. It further posted a credible 57% growth in PATMI to \$34.6 million boosted by the strong performance by its integrated utilities operations in Singapore and UK as well as its energy operations in Vietnam.

Marine Engineering saw turnover increase by 82% which was spurred by new building and conversion jobs. The Group’s share of Marine’s PATMI increased by 9% to \$14.8 million as a result of better operating profit and enhanced earnings from newly acquired associated company, Cosco Shipyard Group.

Logistics’ turnover grew by 19% driven by its supply chain management business in Singapore and North Asia. Without the profit contribution of Kuehne & Nagel International (KNI), the Group’s share of Logistics PATMI before extraordinary items increased by 7% to \$9.3 million.

“We are pleased with our performance this quarter. It reflects the consistent efforts by our Group to create sustainable value for shareholders. We are confident that our businesses will continue to do well and deliver growth for the year,” Mr Tang rounded up.

Full year Outlook

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 KNI in 2004.

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For media and analysts' enquiries, please contact:

Lim Siew Khee

Group Corporate Relations

Tel: +65 6723 3076

Fax: +65 6822 3240

Email: lim.siewkhee@sembcorp.com.sg

Website: www.sembcorp.com.sg