

PRESS RELEASE

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SEMBCORP 9M2015 NET PROFIT AT S\$488.1 MILLION**9M2015 Highlights**

- Group net profit at S\$488.1 million. Performance affected by lower contribution from Sembcorp Marine
- Utilities business grew 3% underpinned by overseas growth and divestment gains
- Overseas growth strategy remains on track
 - 1,320-megawatt power plant in India commenced full commercial operation
 - New 426-megawatt power plant project secured in Bangladesh

Singapore, October 29, 2015 – Sembcorp Industries (Sembcorp) posted a net profit of S\$488.1 million and a turnover of S\$7.1 billion in the first nine months of 2015 (9M2015) compared to S\$560.5 million and S\$8.2 billion in 9M2014 respectively.

In 9M2015, the Utilities business delivered a 3% growth in net profit to S\$306.2 million compared to S\$298.6 million in 9M2014, underpinned by profit growth from its overseas operations as well as gains from the divestment of its municipal water operations in Bournemouth, UK and Zhumadian, China. Meanwhile, the Marine business contributed a net profit of S\$151.0 million compared to S\$234.1 million in 9M2014 due to lower contributions from rig building projects, associate losses and impairment. The Urban Development business posted a net profit of S\$17.6 million compared to S\$29.3 million in 9M2014.

Return on equity (annualised) for the Group was 11.1% and earnings per share amounted to 26.3 cents. Cash and cash equivalents stood at S\$1.6 billion.

In the third quarter of 2015 (3Q2015), the Group posted a net profit of S\$122.3 million and a turnover of S\$2.4 billion compared to S\$196.6 million and S\$3.1 billion in 3Q2014 respectively. In the quarter, the Utilities business signed an agreement to divest its Australian waste management joint venture. A net gain of approximately S\$350 million resulting from the sale is expected to be recognised in 4Q2015 upon completion of the divestment.

Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, “While current market conditions are challenging, Sembcorp remains committed to delivering long-term value and growth. In the quarter, we continued to achieve milestones in our overseas growth strategy. Our 1,320-megawatt TPCIL power plant in India commenced full commercial operation in September. We also expanded our footprint in fast-growing emerging markets with the development of a 426-megawatt power project in Bangladesh. At the same time, we continue to unlock value for shareholders through divestments which provide us with additional resources to invest in businesses and markets with high growth potential, in line with our focus on the energy and water sectors.”

FY2015 Outlook

Utilities

2015 is challenging for the Singapore energy business with continued intense competition in the power market as well as low oil prices. The overseas business is expected to continue to deliver a steady performance. In India, the TPCIL power plant commenced full commercial operation in September 2015.

With the expected completion of the divestment of its Australian waste management joint venture in the fourth quarter of 2015, the Utilities business should deliver a better performance than 2014.

Marine

Low oil prices and the oversupply situation in the global offshore exploration segment continue to weigh on offshore rig utilisation and charter rates. Some customers are deferring or are seeking to defer the delivery of their ordered rigs. This has resulted in a delay in earnings recognition. Brazil’s oil and gas industry continues to remain fraught with uncertainty.

Despite the depressed market, the Marine business has secured S\$2.9 billion in new contracts year-to-date, bringing its net orderbook to S\$11.6 billion.

In July, the business reached a key milestone in its transformation efforts with the integration of its business units under one brand. As an integrated Sembcorp Marine, the business will optimise its capabilities and capacities as well as increase its efficiency and productivity to better service its partners and customers.

While the immediate operating environment in the offshore rig building industry remains very challenging, the business remains focused on the timely and effective execution of its current orderbook and efficient working capital management. The business is confident of the long-term fundamentals of the offshore and marine industry and believes its investments in new capabilities and facilities will help ensure sustainable returns for the business, both in Singapore and at its overseas yards.

Urban Development

The performance of the Urban Development business is expected to be weaker in 2015 compared to 2014.

Group

Despite the challenges of a low oil price environment and a mixed global economic outlook for 2015, the Group, underpinned by sound business fundamentals and a healthy pipeline of projects, remains committed to delivering long-term value and growth.

The Group remains focused on project execution, as well as on enhancing operational excellence and efficiency, to manage costs and maximise earnings.

Summary of Sembcorp's 9M2015 Financial Results

- Turnover at S\$7.1 billion, down 13%
- Profit from Operations at S\$825.3 million, down 10%
- Net Profit at S\$488.1 million, down 13%
- EPS at 26.3 cents
- ROE (annualised) at 11.1%

**Profit from Operations = Earnings before Interest and Tax + Share of Associates and JVs' results (net of tax).*

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, water and marine group operating across six continents worldwide. With facilities of close to 8,800 megawatts of gross power capacity and over nine million cubic metres of water per day in operation and under development, Sembcorp is a trusted provider of essential energy and water solutions to both industrial and municipal customers. It is also a world leader in marine and offshore engineering as well as an established brand name in urban development.

The Group has total assets of over S\$19 billion and employs over 8,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index and several MSCI and FTSE indices.