

PRESS RELEASE

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SEMBCORP POSTS NET PROFIT OF S\$365.8 MILLION IN 1H2015**1H2015 Highlights**

- Group net profit steady at S\$365.8 million amid challenging market conditions
- Utilities' overseas growth strategy on track, overseas contribution increasing
- Interim dividend of 5.0 cents per ordinary share declared

Singapore, August 4, 2015 – Sembcorp Industries (Sembcorp) posted a net profit of S\$365.8 million and a turnover of S\$4.7 billion in the first half of 2015 (1H2015) compared to S\$363.9 million and S\$5.2 billion in 1H2014 respectively.

The Utilities and Marine businesses continued to be the main profit contributors in 1H2015, accounting for 95% of Group net profit. In 1H2015, the Utilities business delivered a 17% growth in net profit to S\$216.0 million compared to S\$184.4 million in 1H2014, underpinned by gains from the divestment of its UK municipal water operations and good performance from its overseas operations. Meanwhile, the Marine business contributed a net profit of S\$131.4 million compared to S\$154.1 million in 1H2014 mainly due to lower contribution from rig building projects. The Urban Development business posted a net profit of S\$13.0 million compared to S\$24.3 million in 1H2014.

Return on equity (annualised) for the Group was 12.5% and earnings per share amounted to 20.0 cents. Cash and cash equivalents stood at S\$1.7 billion.

In the second quarter of 2015 (2Q2015), the Group posted a net profit of S\$223.6 million from S\$179.0 million in 2Q2014, while turnover stood at S\$2.4 billion.

Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, "Our overseas growth strategy remains on track. In the first half of the year, we strengthened our presence in the fast-growing renewable energy sector with the acquisition of Green Infra in India. We also continued to expand our renewable energy footprint in China with another 150MW of wind power capacity to be added in Hebei. In total, we now have an international renewable energy portfolio of over 1,200MW.

“Backed by strong project development capabilities, we also entered Myanmar with the award of a US\$300 million 225MW project to develop the largest independent power plant in the country. Meanwhile in India, construction of our supercritical coal-fired power plants remained on track, with the completion of our first 660MW unit.”

Interim Dividend

The Board of Directors is pleased to declare an interim dividend of 5.0 cents per ordinary share, which will be paid on September 1, 2015.

FY2015 Outlook

Utilities

2015 is expected to be 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. The first unit of TPCIL power plant in India commenced operation in 1Q2015, and the plant will be in full operation by 3Q2015.

Marine

The persistently low oil prices have escalated the ongoing cuts in global exploration and production expenditure. Some customers are deferring or seeking to defer the delivery of their ordered rigs. While the new order outlook for offshore exploration vessels remains bleak, the business has benefitted from its strategy to diversify its product offering in addition to drilling solutions.

Brazil's oil and gas industry remains fraught in uncertainty. The Marine business continues to engage with its customers to find the best way forward for its projects and to explore all options including slowing down construction.

The Marine business has a net orderbook of S\$10.9 billion. This includes S\$1.35 billion in contracts secured to-date in 2015. While the business faces many challenges ahead, it will continue to actively manage its balance sheet to maintain a healthy financial position. Following the transformation into an integrated business, Sembcorp Marine will optimise its capabilities and capacities, as well as increase its efficiency and productivity.

Urban Development

In 2015, the Urban Development business is expected to deliver a performance comparable 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 1H2015 Financial Results

- Turnover at S\$4.7 billion, down 8%
- Profit from Operations at S\$618.1 million, up 3%
- Net Profit at S\$365.8 million, up 1%
- EPS at 20.0 cents
- ROE (annualised) at 12.5%
- Interim dividend of 5.0 cents per ordinary share

**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 over 8,200 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\$18 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.