



## PRESS RELEASE

**Sembcorp Industries Ltd**  
CO REGN NO 199802418D  
30 Hill Street #05-04  
Singapore 179360  
Tel (65) 6723 3113  
Fax (65) 6822 3254  
[www.sembcorp.com](http://www.sembcorp.com)

### **SEMBCORP FY2010 NET PROFIT GROWS 16% TO S\$792.9 MILLION**

**SINGAPORE, February 25, 2011** – Sembcorp Industries (Sembcorp) delivered a strong performance in 2010, reporting a 16% growth in net profit attributable to shareholders of the Company (net profit) for the full year 2010 (FY2010). Group net profit was S\$792.9 million compared to S\$682.7 million, while turnover was S\$8.8 billion compared to S\$9.6 billion in FY2009.

In FY2010, Marine's contribution to Group net profit grew 15% from S\$430.2 million to S\$492.8 million, while Utilities' net profit increased 2% from S\$226.7 million to S\$231.3 million. Industrial Parks' net profit improved 30% from S\$28.3 million to S\$36.9 million. Return on equity for the Group was a healthy 22.2% and earnings per share amounted to 44.4 cents. Economic value added was a positive S\$809.4 million, while cash and cash equivalents stood at a strong S\$3.5 billion.

In the fourth quarter of 2010 (4Q2010), Group net profit was S\$228.7 million compared to S\$259.0 million the previous year. In 4Q2010, profit contribution from the Marine business was lower due to the resumption of margin recognition for some of its projects upon securing buyers in 4Q2009, while the Utilities business was affected by the one-off write-down of certain ageing assets in the UK during the quarter. 4Q2010 turnover was S\$2.1 billion compared to S\$2.4 billion in 4Q2009.

Mr Tang Kin Fei, Group President & CEO of Sembcorp Industries, said: "In 2010, Sembcorp delivered a solid financial performance and made significant progress in broadening our asset portfolio through organic growth and strategic investments. In Singapore, we will develop a new cogeneration plant to increase our generation capacity from 800 megawatts to 1,200 megawatts and install new steam production and wastewater treatment facilities to support growth on Jurong Island. Marking a major milestone for our Utilities business in the fast-growing water sector, we also successfully acquired Cascal, a leading municipal water provider. Sembcorp is now a global water service provider with capabilities to serve both industrial and municipal customers. Other milestones achieved during the year included our entry into the fast-growing Indian power market as well as our expansion of shipyard capacities in Singapore and Brazil.

"With a global footprint across six continents and the healthy pipeline of projects we have built up, we are well-positioned to continue to deliver shareholder value and sustainable growth in the long term."

**2010 Dividend**

The Board of Directors is pleased to propose a final tax exempt one-tier dividend of 17.0 cents per ordinary share comprising an ordinary dividend of 15.0 cents and a bonus dividend of 2.0 cents per ordinary share for 2010. Together, this marks an increase of 13% from 2009's 15 cents per ordinary share. If approved by shareholders, this will be paid on May 13, 2011.

**FY2011 Outlook**

The world economy is on the path to recovery. However, recent events in the Middle East and North Africa could create uncertainties and threaten global economic recovery. Our projects in the region, in Oman and the UAE, are not affected by the current unrest. Nonetheless, we continue to closely monitor the situation in the region.

Our Marine business has a current net orderbook of S\$4.8 billion (2009: S\$5.5 billion) with completions and deliveries stretching till second quarter of 2013. Enquiries have improved though competition remains keen.

For FY2011, our Utilities and Industrial Parks businesses are expected to deliver a steady performance.

**Highlights from Sembcorp's FY2010 Financial Results**

- Turnover of S\$8.8 billion, down 8%
- Net profit before EI of S\$760.8 million, up 11%
- Net profit after EI of S\$792.9 million, up 16%
- ROE at 22.2%
- EVA at S\$809.4 million
- Strong balance sheet and cash flow
  - Net cash position
  - Operating cash flow (before changes in working capital) of S\$1,440.2 million
- Proposing final tax exempt one-tier dividend of 17.0 cents per ordinary share, comprising an ordinary dividend of 15.0 cents and a bonus dividend of 2.0 cents, up 13%

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For media and analysts' queries please contact:

Fock Siu Ling (Ms)

Senior Manager

Group Corporate Relations

DID: +65 6723 3152

Email: [fock.siu ling@sembcorp.com](mailto:fock.siu ling@sembcorp.com)

Aleve Co (Ms)

Manager

Group Corporate Relations

DID: +65 6723 3178

Email: [aleve.co@sembcorp.com](mailto:aleve.co@sembcorp.com)

### **ABOUT SEMBCORP INDUSTRIES**

Sembcorp Industries is a leading energy, water and marine group operating across six continents worldwide. With facilities with 5,600 megawatts of gross power capacity and over six 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 developer of integrated townships and industrial parks.

The Group has total assets of over S\$10 billion and employs over 9,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index and several MSCI indices.

*Note to Editors: Following a company rebrand, please refer to the company as “Sembcorp” (with “S” in upper case and “c” in lower case), or “Sembcorp Industries” in full. Please also note that “Sembcorp” is not an abbreviation of “Sembawang Corporation” but a brand name in itself, and it is therefore incorrect to refer to our company as “Sembawang”, “Sembawang Corporation” or similar.*