



1H2010 Results Announcement

August 12, 2010



Scope of Presentation



- CEO's Report
- Financial Review
- Operations Review
- Group Outlook

CEO's Report

Tang Kin Fei
Group President & CEO

1H2010 Performance Round-up

Turnover of S\$4.5 billion, down 1%

Net Profit of S\$320.1 million, up 16%

ROE (annualised) at 18.4%

EVA at S\$292.9 million

Strong balance sheet and cash flow

- Net cash position
- Operating cash flow* of S\$593.0 million

* Operating cash flow before changes in working capital

Building Platforms for Growth

1H2010 Strategic Highlights



ENERGY

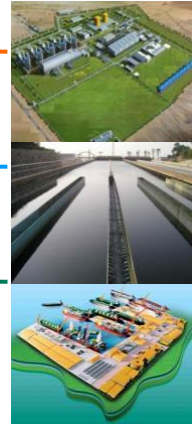
Construction of Salah IWPP in Oman on track

WATER

Global water service provider with acquisition of Cascal

MARINE

Increased capacities and strengthened global network of shipyards



5

Building Platforms for Growth

1H2010 Strategic Highlights



ENERGY

Construction of Salah IWPP in Oman on track

- 490 MW power and 15 MiGD desalinated water capacity
- Phase 1 (65 MW) on track for completion in 3Q2011
- Full project completion in 1H2012



HRSG Foundation



Admin Building Super Structure

6

Building Platforms for Growth

1H2010 Strategic Highlights



WATER

Global water service provider with acquisition of Cascal

- Now a 97.66% shareholder of Cascal
- Cascal delisted as of Aug 5, 2010
- Deregistration expected November
- Effecting squeeze out proceedings to own 100%
- Integration in progress
- Combined expertise and experience to accelerate growth in water sector
 - Ability to provide total water and wastewater solutions to industrial and municipal sectors
 - Leverage on global footprint to offer water solutions to 17 countries and beyond

Sembcorp's Enlarged Water Footprint

- Developer, owner and operator of facilities > 6 million m³ per day
- Serving a population of close to 5 million



7

Building Platforms for Growth

1H2010 Strategic Highlights



MARINE

Increased shipyard capacities & strengthened global network of shipyards

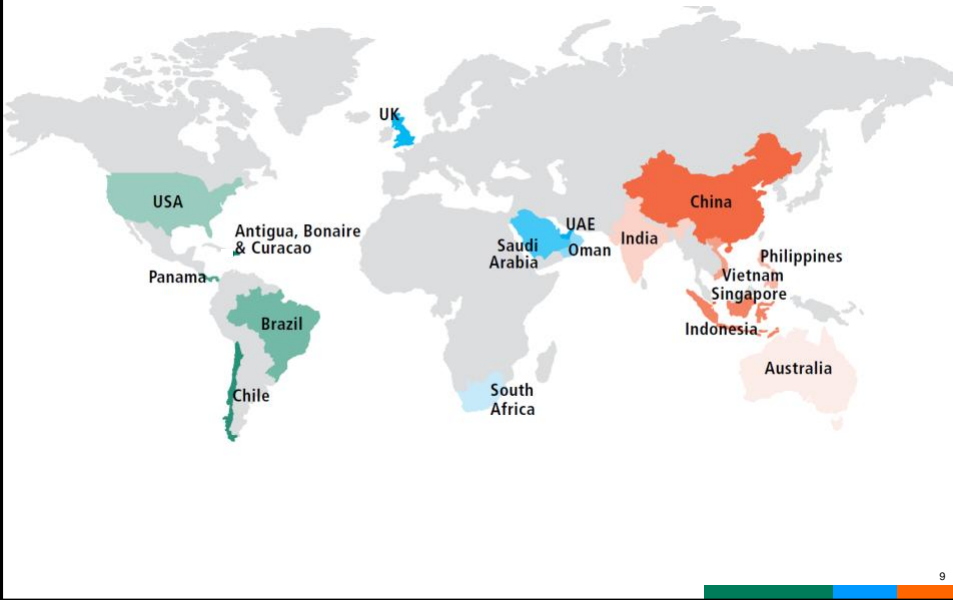
- **Singapore:** Phase 1 (73.3ha) of "one-stop solutions" integrated new yard facility to commence partial operations in 2H2012. Full completion scheduled for May 2013
- **Brazil:** Engineering design of new shipyard Estaleiro Jurong Aracruz commenced. Development and construction works to be undertaken in stages



8

Expanding Our Global Footprint

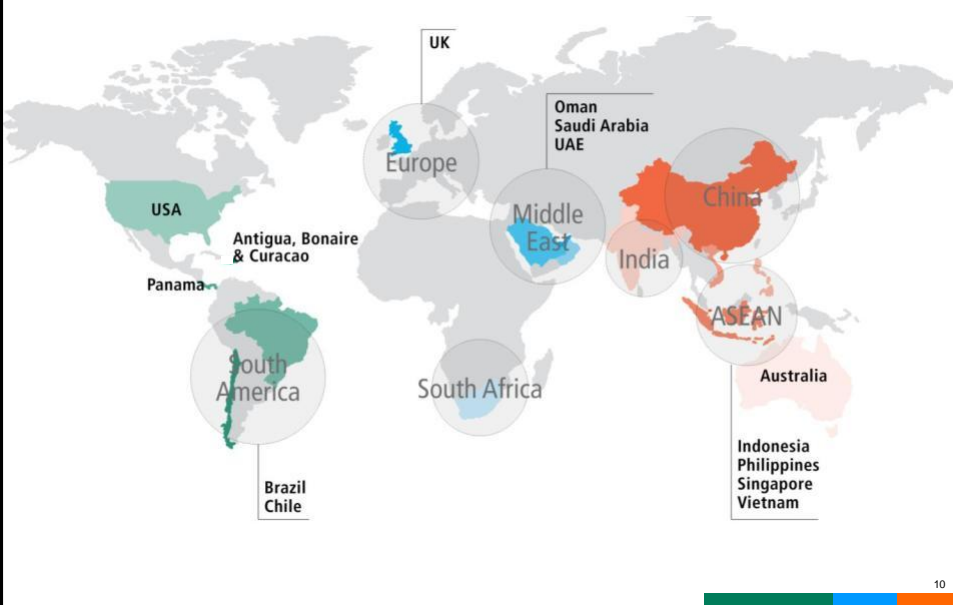
Operating in 17 countries across 6 continents



9

Expanding Our Global Footprint

Present in some of the world's fastest growing economies



10

Financial Review

Koh Chiap Khiong
Group CFO

Group Profit & Loss

(\$M)	1H10	1H09	Δ%
Turnover	4,542	4,578	(1)
EBITDA	593	513	16
EBIT	491	418	17
PBT	555	465	19
Net Profit	320	276	16
EPS (cents)	17.9	15.5	16

Group Turnover



(S\$M)	1H10	1H09	Δ%
Utilities	1,894	1,529	24
Marine	2,456	2,860	(14)
Environment	76	95	(20)
Industrial Parks	7	7	(2)
Other Businesses	109	87	25
TOTAL TURNOVER	4,542	4,578	(1)

* Industrial Park's businesses comprise mainly of associates or joint ventures

13

Group Net Profit



(S\$M)	1H10	1H09	Δ%
Utilities	107.8	99.0	9
Marine	198.6	159.1	25
Environment	9.8	5.4	83
Industrial Parks	11.4	10.8	5
Other Businesses	14.3	9.7	47
Corporate*	(21.8)	(8.5)	(157)
TOTAL NET PROFIT	320.1	275.5	16

*Corporate cost breakdown

	1H10	1H09	Δ%
Corporate	(12.5)	(8.5)	(47)
Acquisition-related costs for Cascal	(9.3)	-	NM

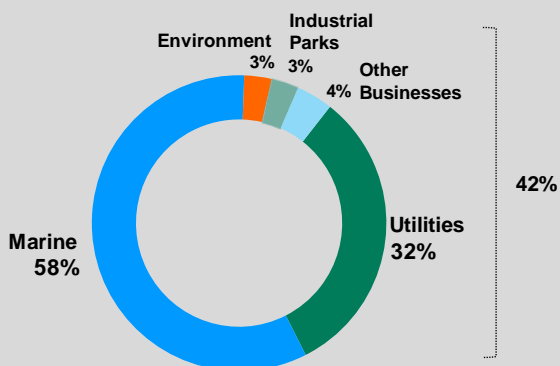
14

Group Net Profit Contribution



1H2010 Group Net Profit
excluding Corporate

S\$341.9m



Utilities and
Marine
contribute 90%
of Group Net
Profit

15

Utilities Turnover & Net Profit



(S\$M)

1H10

1H09

Δ%

TURNOVER

Singapore	1,723.5	1,313.9	31
Overseas	190.0	230.7	(18)
- UK	152.3	199.8	(24)
- China, Vietnam & the UAE	37.7	30.9	22
TOTAL TURNOVER	1,913.5	1,544.6	24

NET PROFIT

Singapore	67.8	60.7	12
Overseas	42.8	41.5	3
- UK	18.8	21.8	(14)
- China, Vietnam & the UAE	24.0	19.7	22
Corporate & Others	(2.8)	(3.2)	15
TOTAL NET PROFIT	107.8	99.0	9

Note: Figures are stated before intercompany eliminations

16

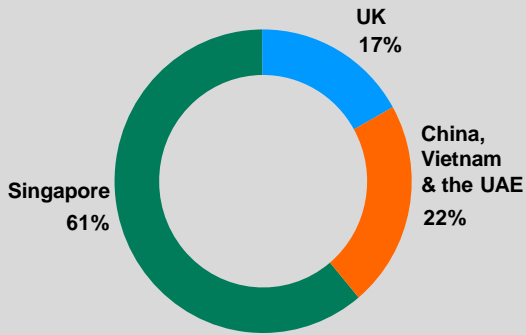
Utilities Net Profit Contribution



1H2010 Utilities Net Profit
excluding Corporate & Others

S\$110.6m

Broad-based
income stream



17

Group Capex



(S\$M)

1H10

Fixed Asset Items

– Utilities	242.8
– Marine	17.0
– Environment	4.8
– Industrial Parks	0.1
– Other Businesses	0.3
	265.0

Equity Investment

– Industrial Parks	2.1
--------------------	-----

TOTAL CAPEX

267.1

18

Group Free Cash Flow



(\$M)	1H10	1H09
CASH FLOW FROM OPERATING ACTIVITIES		
- before changes in working capital	593	522
- changes in working capital and others	177	(227)
- tax paid	(52)	(14)
	718	281
CASH FLOW FROM INVESTING ACTIVITIES		
- divestments, dividend and interest income	41	38
- investments and capex	(267)	(149)
- loans to associates	-	(67)
	(226)	(178)
- Add back: Expansion Capex	227	95
FREE CASH FLOW*	719	198

*Free Cash Flow: operating cash flow plus investing cash flow adjusted for expansion capital expenditure

19

Group Borrowings



(\$M)	Jun 30,10	Dec 31,09
PF loans	375	307
Long-term	913	430
Short-term	27	231
Gross	1,315	968
Less: Cash and FD	(3,018)	(2,598)
Net Debt / (Cash)	(1,703)	(1,630)
Net Gearing Ratio	Net Cash	Net Cash
Exclude PF*		
Net Debt / (Cash)	(1,882)	(1,752)
Net Gearing Ratio	Net Cash	Net Cash

* PF – Non-recourse project financing

20

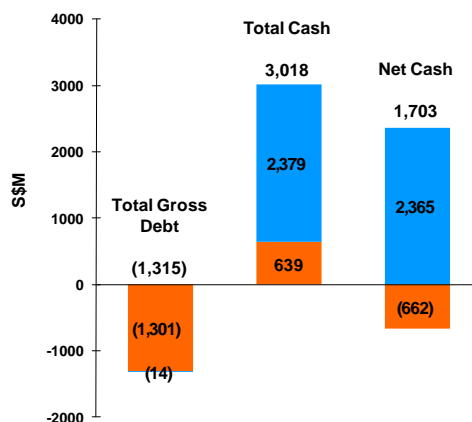
Strong Financial Stability



(\$M) As at June 30, 2010	Total Gross (Debt)	Total Cash	Net (Debt)/ Cash
Sembcorp Marine	(14)	2,379	2,365
Sembcorp Industries excl. Marine	(1,301)	639	(662)
Total Sembcorp Group	(1,315)	3,018	1,703

Marine in a net cash position of S\$2.4bn

Utilities and Others with a net debt of S\$662m



21

Financial Indicators



	1H10	1H09	FY09
EPS (cents)	35.9*	31.0*	38.4
ROE (%)	18.4*	19.0*	23.1
ROTA (%)	10.2*	9.2*	11.9
Interest Cover (times)	26	24	32
Per Share			
NAV (S\$)	1.85	1.64	1.86
Economic Value Added			
EVA (S\$M)	292.9	246.7	770.5

* Annualised

22



Operations Review

Tang Kin Fei
Group President & CEO

Utilities



Sembcorp NEWater Plant, Singapore

Utilities



Key Developments

Singapore & ASEAN

Positioning for growth

- Good performance from cogeneration plant in Singapore
- Phu My 3 operations in Vietnam performed well
- Full project completion of the 50 MiGD Sembcorp NEWater Plant
 - Awarded prestigious 2010 GWI Global Water Awards "Water Reuse Project of the Year"
- Establishing a utilities centre in Tembusu with first wastewater facility in the new growth area
 - New 9,600 m³/day integrated facility to double wastewater treatment capacity on Jurong Island by 2Q2012
 - Key customer LANXESS secured



25

Utilities



Key Developments

UK

Optimising operations

- On-site demand: all new customers fully operational
 - Sabic LDPE from mid-2009, Ensus Bioethanol from Feb 2010
 - PTA and Melinar plants restarted by Lotte in Apr 2010
- Low current market spreads for power expected to improve in longer term
- Installing new condensing turbine to provide flexibility between steam and power production by 3Q2011
- Sembcorp Biomass Power Station undergoing CHP conversion to maximise green income. Expected completion by end-year



Sembcorp Biomass Power Station, UK

26

Utilities



Key Developments

China

Establishing and growing beachheads

- Operations in all regions showed growth in 1H2010
- Completed expansions in existing beachheads
 - Nanjing: 12,500 m³/day high concentration industrial wastewater treatment plant
 - Zhangjiagang: 7,200 m³/day wastewater pre-treatment facility
- New beachhead in Southern China
 - 50-year concession to provide wastewater and reclaimed water in Qinzhou Port Economic Development Zone
 - 15,000 m³/day wastewater treatment plant (Phase 1) under construction. Operations to commence in mid-2011



Nanjing wastewater treatment facility, China

Utilities



China

Well-Positioned in Growing China Market

- Operating in 12 locations in 9 provinces
- Almost tripled water and wastewater capacities under management to 1.2 million cubic metres per day
- Serving a total population of 2 million people



Utilities



Key Developments

Middle East

Expanding capacity

- Fujairah IWPP performed well
- Expanding desalination capacity in Fujairah by 30%
 - MOU for new 30 MiGD seawater reverse osmosis (RO) facility. Expected completion by end-2013
- Construction of Salalah IWPP in Oman on track



Fujairah Independent Water and Power Plant, UAE

29

Utilities



Key Developments

New beachhead in India

Thermal Powertech Corporation India

- JV agreement signed for 1,320 MW coal fired power project in Krishnapatnam, Nellore District, Andhra Pradesh
- Finalising conditions precedent by Oct 2010
- Total project cost: approximately S\$2.1 billion
- Sembcorp's stake: 49%
- Expected full project completion: end-2013
- O&M to be by 70%-owned Sembcorp subsidiary



30

Marine



Marine



Key Developments

- Delivered 1 jack-up, 2 semi-submersibles, and 3 ship conversion and offshore projects in 1H2010. All deliveries were on schedule or ahead of schedule
- Contracts secured to-date since Jan 2010 at S\$853 million (excluding ship repair)
- Net orderbook of S\$4.3 billion as at Aug 3, 2010 with completions and deliveries until Dec 2012

Integrated Townships



Integrated Townships



Key Developments

China

- Phase 1 of WSIP Business & IT Park (GFA 35,000 sqm) completed. Soft-launched in Jun 2010
- City planning design for 400 ha Solar City photovoltaic park completed and commenced construction of ready-built factories
- Completed concept masterplan for Sino-Singapore Nanjing Eco Hi-Tech Island and preparations for land resettlement underway



Phase 1, WSIP Business and IT Park, China

Vietnam

- VSIP Hai Phong launched in Jan 2010. 155 ha out of 611 ha (Phase 1) resettled
- Improving investor sentiment drive up take-up for land
 - VSIP Bac Ninh: 64 ha sold and 70 ha committed out of 472 ha resettled
 - VSIP Binh Duong expansion: 61 ha sold and 123 ha committed out of 1,628 ha resettled

Environment



Environment



Key Developments

- Australia operations continue to perform well. Leadership in advanced waste treatment capabilities provides impetus for growth
- Improved performance from Singapore operations
- Streamlined business portfolio with divestment of Singapore public cleansing unit in Apr 2010

Group Outlook

Tang Kin Fei
Group President & CEO

Group Outlook

In FY2010, the performance of our Utilities' operations is expected to remain steady excluding one-off items. The consolidation of Cascal as a subsidiary under Sembcorp Utilities with effect from July 9, 2010 is not expected to have a material impact on FY2010 results. Marine expects to achieve satisfactory results for FY2010. In FY2010, the Industrial Parks and Environment businesses are expected to perform better than FY2009.



Vital Partners. Essential Solutions.

Disclaimer

This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although Sembcorp Industries believes that these expectations, projections and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Sembcorp Industries and its business operations, such as (without limitation) the general economic and business conditions in Singapore, the Asia-Pacific region and elsewhere; currency fluctuations between the Singapore dollar and other currencies; governmental, statutory, regulatory or administrative initiative affecting our business; industry trends; future levels and composition of our assets and liabilities; future profitability of our operations; competition; changes in Singapore tax or similar laws or regulations; changes in, or the failure to comply with, governmental regulations, including exchange control regulations, if any.

You are advised not to place undue reliance on these forward-looking statements as the forward-looking events referred to in this presentation may differ materially or not occur due to these risks, uncertainties and assumptions.

Investors should assume that the information in this presentation is accurate only as of the date it is issued. Sembcorp Industries has no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Appendix

41

Group Profit & Loss

(\$M)	2Q10	2Q09	Δ%
Turnover	2,136	2,431	(12)
EBITDA	308	272	13
EBIT	257	224	15
PBT	288	249	16
Net Profit	161	142	14
EPS (cents)	9.0	8.0	13

42

Group Turnover



(\$M)	2Q10	2Q09	Δ%
Utilities	945	833	13
Marine	1,097	1,497	(27)
Environment	39	48	(19)
Industrial Parks	3	3	2
Other Businesses	52	50	-
TOTAL TURNOVER	<u>2,136</u>	<u>2,431</u>	(12)

43

Group Net Profit



(\$M)	2Q10	2Q09	Δ%
Utilities	51.6	47.9	8
Marine	107.5	85.1	26
Environment	6.6	3.9	71
Industrial Parks	7.0	7.2	(3)
Other Businesses	4.8	2.4	100
Corporate*	(16.2)	(4.6)	(252)
TOTAL NET PROFIT	<u>161.3</u>	<u>141.9</u>	14

***Corporate cost breakdown**

	2Q10	2Q09	Δ%
Corporate	(6.9)	(4.6)	(58)
Acquisition-related costs for Cascal	(9.3)	-	NM

44

Utilities Turnover & Net Profit



(\$M)	2Q10	2Q09	Δ%
TURNOVER			
Singapore	858.8	728.4	18
Overseas	95.9	113.2	(15)
- UK	75.8	95.2	(20)
- China, Vietnam & the UAE	20.1	18.0	12
TOTAL TURNOVER	<u>954.7</u>	<u>841.6</u>	13
NET PROFIT			
Singapore	32.4	29.2	11
Overseas	20.2	22.8	(12)
- UK	7.8	12.7	(39)
- China, Vietnam & the UAE	12.4	10.1	23
Corporate & Others	(1.0)	(4.1)	77
TOTAL NET PROFIT	<u>51.6</u>	<u>47.9</u>	8

Note: Figures are stated before intercompany eliminations