

PRESS RELEASE

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SEMBCORP DELIVERS HEALTHY PERFORMANCE IN FY2008**- FY2008 profit up 6% to S\$507 million excluding 2007 tax write-back**

SINGAPORE, February 26, 2009 – Sembcorp Industries (Sembcorp) reported a profit after tax and minority interest (PATMI) of S\$507 million for the full year ended December 31, 2008 (FY2008). Excluding a write-back of S\$48 million of tax provision recorded in 2007, this represents a 6% growth over FY2007 PATMI of S\$478 million. Turnover for the Group increased 15% to S\$9.9 billion, while profit before tax grew 11% to S\$906 million.

Sembcorp's return on equity stood at 18%, and earnings per share was 28.5 cents. Economic Value Added grew 22% to S\$511 million.

Sembcorp's Utilities and Marine businesses continued to be its main profit contributors, accounting for 92% of Group PATMI. Marine's contribution to Group PATMI rose 32% to S\$290.6 million, mainly due to higher revenue and operating margins from its rig building and ship repair businesses. During the year, Marine secured S\$5.7 billion of new orders, bringing its year-to-date net orderbook to a record S\$9.0 billion, with completions and deliveries stretching till 2012. Utilities' PATMI stood at S\$200.3 million with its Singapore and UK operations contributing S\$130.8 million and S\$67.6 million respectively.

Mr Tang Kin Fei, Group President & CEO of Sembcorp Industries, said: "Sembcorp delivered a credible set of results for the year despite the rapid deterioration of the global economic environment in the last few months of 2008.

“The year ahead will not be easy with the global economic slowdown and tightening credit markets. Nevertheless, we believe Sembcorp has the businesses, market position and organisational ability to face the challenges ahead. Backed by strong operating cash flows and a sound balance sheet, the Group is also well-placed to take advantage of opportunities to make strategic moves that would help us to position our company for the future.”

2008 Dividend

The Board of Directors is pleased to propose a final tax exempt one-tier dividend of 11.0 cents per ordinary share for 2008. If approved by shareholders, this will be paid on May 8, 2009.

FY2009 Outlook

The global economic and financial environment is expected to remain very challenging for the rest of the year.

Contribution of our overseas companies may be affected by currency movements when their profits are translated into Singapore dollars.

With a focus on cost management, productivity improvements and operational excellence, Sembcorp remains committed to proactive and prudent management of its existing businesses and should be able to weather the difficult times ahead.

Backed by healthy operating cash flows and a sound balance sheet, Sembcorp is also well-placed to capitalise on opportunities that may arise.

Highlights from Sembcorp’s FY2008 Financial Results

- Turnover of S\$9.9 billion, up 15%
- PBT of S\$906 million, up 11%
- PATMI of S\$507 million, up 6% excl. tax write-back of S\$48 million
- ROE at 18%
- EVA at S\$511 million, up 22%
- Strong balance sheet and cash flow
 - Net cash
 - Operating cash flow of S\$1.0 billion
- Proposing final tax exempt one-tier dividend of 11.0 cents per ordinary share

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries Ltd is a leading utilities and marine group. The Group provides centralised utilities, energy and water to industrial and other customers in Singapore, the United Kingdom, Asia and the Middle East. It is a global leader in marine and offshore engineering and also a provider of environmental and industrial park management services in the region. Sembcorp has total assets of over S\$8 billion and employs more than 7,000 employees. Listed on the main board of the Singapore Exchange, Sembcorp is a component stock of the Straits Times Index and several MSCI indices.

Note to Editors:

Following a recent 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 brandname in itself, and it is therefore incorrect to refer to our company as “Sembawang”, “Sembawang Corporation” or similar.