

PRESS RELEASE

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SEMBCORP 1H2008 PROFIT BEFORE TAX UP 11% TO S\$435 MILLION

SINGAPORE, August 6, 2008 – Sembcorp Industries (Sembcorp) reported a 23% growth in turnover for the first six months of 2008 (1H2008). The Group's turnover grew from S\$3.9 billion in the first half of 2007 (1H2007) to S\$4.7 billion in 1H2008. Profit before tax was up 11% to S\$435 million from 1H2007. Group Profit After Tax and Minority Interest (PATMI) also grew to S\$261 million in the first half of the year. 1H2008 PATMI grew by 6% as compared with 1H2007 after adjusting for a S\$11.7 million write-back of provision for deferred tax in 1H2007 due to a reduction in the Singapore tax rate.

Sembcorp's Utilities and Marine businesses continued to be its main profit contributors. Its Utilities and Marine businesses accounted for 91% of Group PATMI. Marine's contribution to Group PATMI rose 37% to S\$134.4 million mainly due to higher operating margins from its rig building and ship repair businesses and better contribution from its associates. The unit also secured more than S\$4.4 billion of new orders, bringing its year-to-date net order book to a record S\$9.6 billion, with completions and deliveries stretching till 2012. Utilities' PATMI stood at S\$104.1 million with its Singapore operations growing 36% and contributing S\$70 million in PATMI. Utilities' overseas operations in China, Vietnam and the Middle East continued to perform in line with expectations, while contribution from Utilities' UK business was lower at S\$34.4 million.

Mr Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, "Sembcorp's resilience despite the current challenging global market condition attests to the success of our strategy to focus on businesses that are market leaders and which are capable of providing sustainable earnings."

“Leveraging on our distinctive capabilities in energy and water, we continue to seize growth opportunities through our regional hubs, establishing and growing beachheads in each hub. Since the beginning of the year, we have secured 428,000 cubic metres per day of new water projects, equivalent to about a third of Singapore’s water demand. Our Marine business also continues to do well with its record order book.”

Sembcorp’s FY2008 Outlook

In FY2008, the Group aims to maintain its FY2007 PATMI before exceptional items and the one-off tax write-back barring unforeseen circumstances.

However, the challenging global economic and financial environment creates uncertainty that may affect our forecast.

Highlights from Sembcorp’s 1H2008 Financial Results

- Turnover of S\$4.7bn, up 23%
- PBT of S\$435m, up 11%
- PATMI of S\$261m, up 1%
- PATMI up 6%, excl. tax write-back in 1H2007
- Return on Equity (annualised) at 17%
- Strong balance sheet and cash flow
 - Interest cover at 18 times
 - Operating cash flow of S\$463m

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ABOUT SEMBCORP

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 environment and industrial park management services in the region. Sembcorp has total assets of over S\$9 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.