

1H2008 Results Announcement

August 6, 2008



Scope of Presentation



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

CEO's Report

Tang Kin Fei

Group President & CEO



1H2008 Performance Round-Up



Turnover of \$4.7bn, up 23%

PBT of \$435m, up 11%

PATMI of \$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 \$463m

Strong Fundamentals



Growing baseload, earnings visibility

Utilities

- \$307 million of new and renewed long-term contracts secured
- US\$5.5 billion conditional gas deal signed for the importation of an additional 90 BBtu



Marine & Offshore Engineering

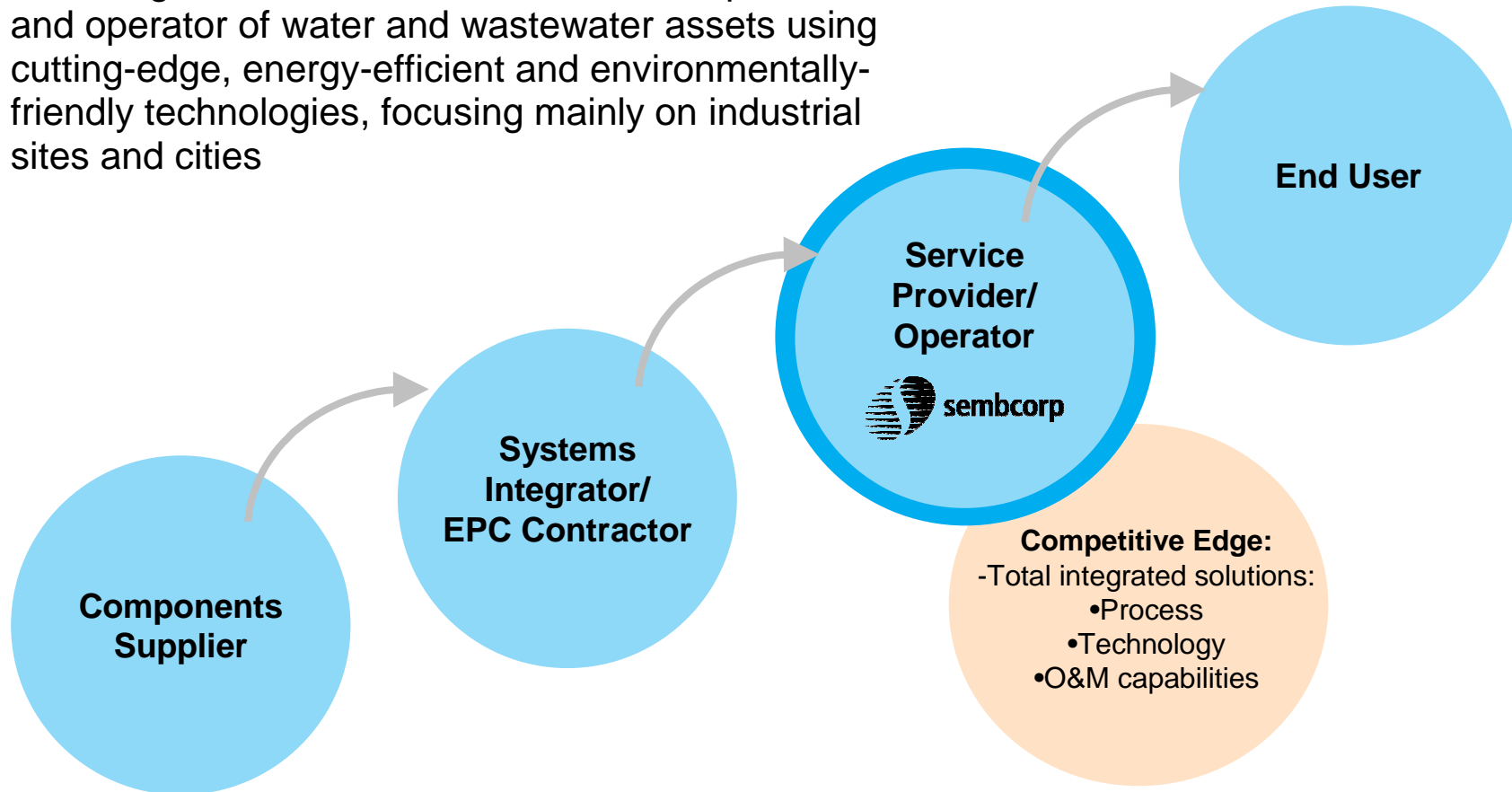
- \$9.6 billion net order book as at August 5, 2008 with completions and deliveries until 2012
- Continued contribution and strong outlook for ship repair



Capabilities to Capture Growth Opportunities

Providing Total Water Solutions

Providing total water solutions as a developer, owner and operator of water and wastewater assets using cutting-edge, energy-efficient and environmentally-friendly technologies, focusing mainly on industrial sites and cities

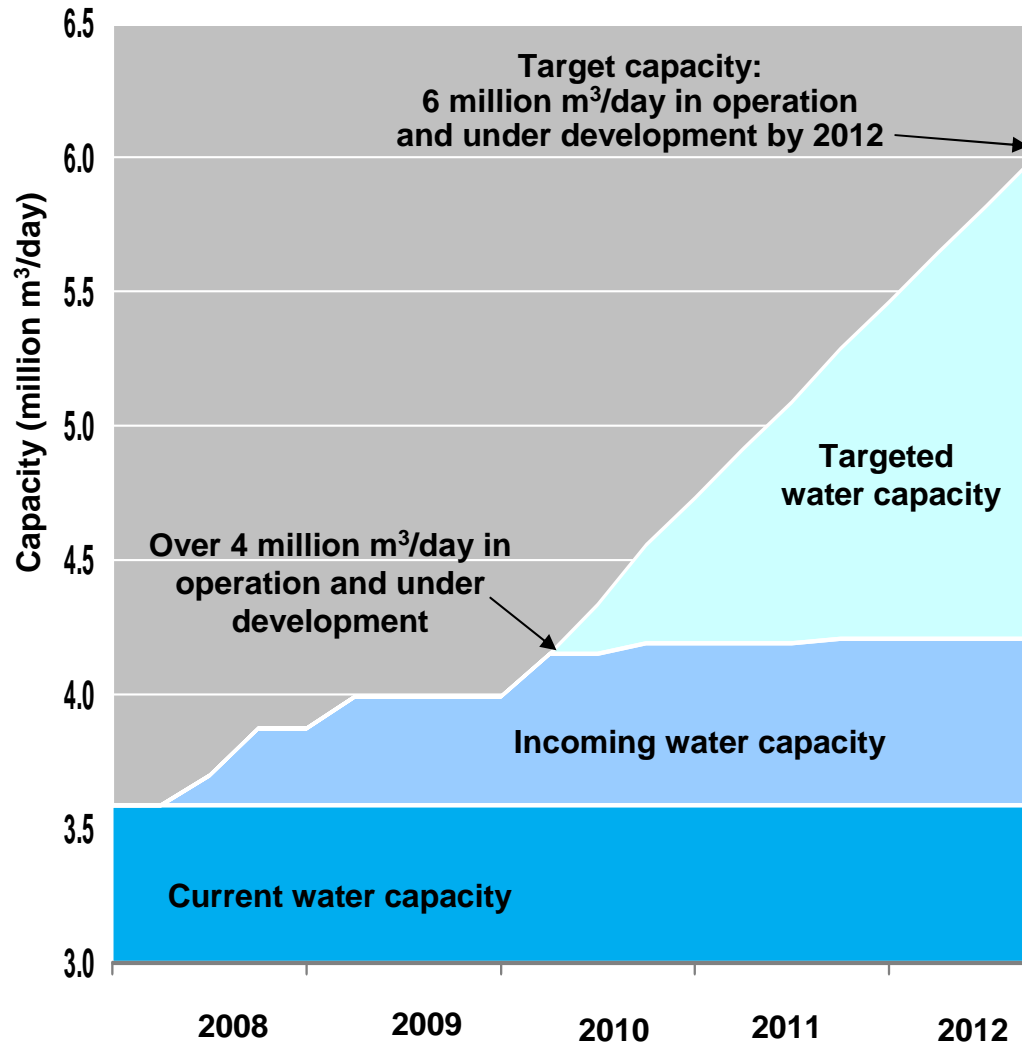


Management targets Water to contribute about \$40-50 million PATMI by 2013

A Growing Pipeline of Water Projects



Additional 428,000m³/day water capacity since January 2008



- Secured 228,000 m³/day DBOO Changi NEWater plant
- Building new 40,000 m³/day industrial water recycling facility in Zhangjiagang
- Acquiring 160,000 m³/day water works facilities in Shenyang



Financial Review

Lim Joke Mui

Group CFO



Group Profit & Loss



(\$M)	1H08	1H07	Δ%
Turnover	4,733	3,852	23
EBITDA	446	412	8
EBIT	349	324	8
PBT	435	394	11
PATMI	261	258	1
PATMI excl. tax writeback in 1H07	261	247	6
EPS (cents)	14.7	14.5	1

Group Turnover



(\$M)	1H08	1H07	Δ%
Utilities	2,226	1,654	35
Marine	2,300	2,005	15
Environment	107	100	6
Industrial Parks	8	15	(45)
Other Businesses	92	78	19
TOTAL	4,733	3,852	23

Group PATMI



(\$M)	1H08	1H07	Δ%
Utilities	104.1	129.4	(20)
Marine	134.4	98.2	37
Environment	4.0	7.6	(48)
Industrial Parks	13.9	16.0	(13)
Other Businesses	11.0	13.1	(16)
Corporate	(6.1)	(6.0)	(2)
TOTAL	261.3	258.3	1

Utilities Turnover & PATMI



(\$M)	1H08	1H07	Δ%
TURNOVER			
Singapore	1,858.6	1,218.8	52
UK	355.9	419.6	(15)
Other countries	29.9	29.1	3
Total Turnover	2,244.4	1,667.5	35
PATMI			
Singapore	70.0	51.3	36
UK	34.4	70.3	(51)
Other countries	8.3	12.5	(34)
Corporate & Others	(8.6)	(4.7)	(83)
Total PATMI	104.1	129.4	(20)

Group Capex



(\$M)

1H08

Fixed Asset Items		165.6
– Utilities	107.5	
– Marine	52.4	
– Environment	3.1	
– Other Businesses	2.6	
Equity Investments		18.3
– Utilities	17.6	
– Industrial Parks	0.7	
TOTAL		<u>183.9</u>

Group Cash Flow



(\$M)	1H08	1H07
CASH FLOW FROM OPERATING ACTIVITIES		
- before changes in working capital	463	408
- changes in working capital	759	187
- tax paid	(23)	(37)
	1,199	558
CASH FLOW FROM INVESTING ACTIVITIES		
- divestment proceeds & sale of fixed assets	33	112
- acquisitions of investments	(1)	(15)
- acquisitions of fixed assets	(165)	(219)
- dividends, interest & others	46	66
	(87)	(56)
CASH FLOW FROM FINANCING ACTIVITIES		
- issue of shares by Sembcorp/subsidiaries	4	26
- proceeds from ESOS exercised with issue of treasury shares	5	-
- purchase of treasury shares by Sembcorp/subsidiary	(87)	-
- repayment of loans & interest	(261)	(29)
- dividend paid & others	(320)	(562)
	(659)	(565)
NET INFLOW / (OUTFLOW) DURING THE PERIOD	453	(63)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	1,739	1,111
FREE CASH FLOW	1,247*	599

*Free Cash Flow: operating cash flow plus investing cash flow adjusted for expansion capital expenditure of \$135 million

Group Borrowings



(\$M)	1H08	1H07	Δ%
PF loans	448	511	
Long-term	392	398	
Short-term	255	432	
Gross	1,095	1,341	
Less: Cash and FD	(1,743)	(1,297)	
Net Debt / (Cash)	(648)	44	
Net Gearing Ratio	Net Cash	0.01	
Exclude PF*			
Net Debt / (Cash)	(844)	(306)	
Net Gearing Ratio	Net Cash	Net Cash	

* PF – Non-recourse project financing

Financial Indicators



(\$M)

1H08

1H07
(ACTUAL)

Before EI

EPS (cents)	29.4*	31.3
ROE (%)	17.1*	19.0
ROTA (%)	8.8*	9.6
Interest Cover (times)	18	16

After EI

EPS (cents)	29.4*	29.6
ROE (%)	17.1*	18.0
ROTA (%)	8.8*	8.7
Interest Cover (times)	18	15

Per Share

NAV (\$)	1.57	1.70
NTA (\$)	1.51	1.64

Economic Value Added

EVA (\$M)	1H08	1H07
	260.6	196.6

*Annualised

Operations Review

Tang Kin Fei

Group President & CEO



Utilities

	1H08	Change %
Turnover (\$M)	2,244.4	(↑ 35)
EBITDA (\$M)	205.7	(↓6)
EBIT (\$M)	149.9	(↓12)
PATMI (\$M)	104.1	(↓20)
ROE* (%)	19	

- Growth from Singapore operations
- Performance affected by UK unit - expiry of favourable supply contracts, depreciation of the Sterling and a negative mark-to-market power hedge position that will be reversed by end-2008



* Annualised

Utilities



Key Developments

Singapore

- Awarded DBOO Changi NEWater project to be operational 2009/2010
- Signed a US\$5.5 billion conditional Gas Sales Agreement to import an additional 90 BBtu per day of natural gas from Indonesia. Gas delivery is targeted for 2010/2011
- Completed the 400tph very high pressure boiler in July 2008 to boost reliability and capacity of steam production

Utilities



Key Developments

UK

- Enhanced onsite steam capacity with the completion of 120tph package boilers
- Sembcorp Biomass Power Station passed performance test. Strong electricity prices enhances fundamental economics of project
- Delays in the issue of carbon credits until IT trading system is in place. System expected to be established by end 2008

Utilities



Key Developments

China

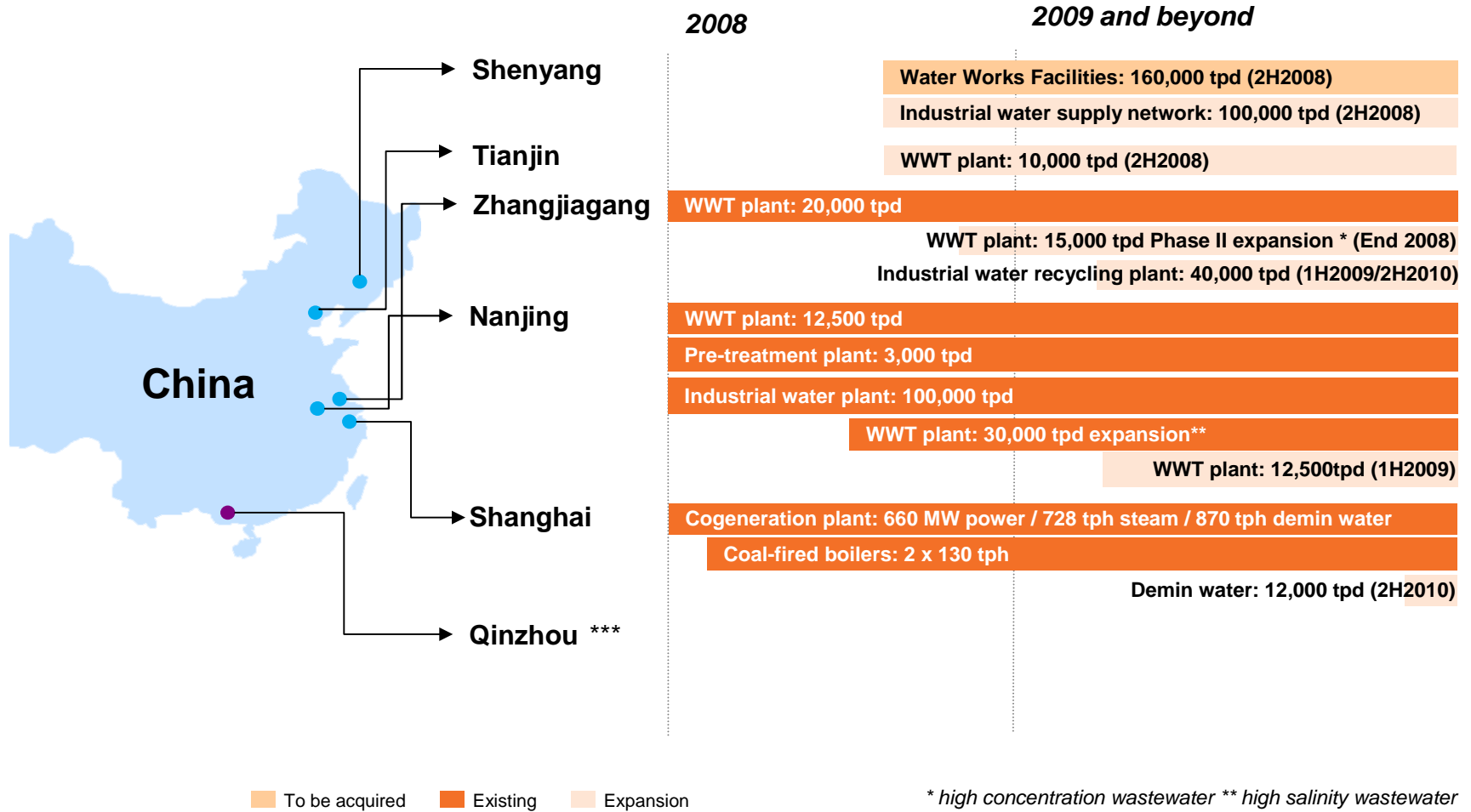
- Nanjing Sembcorp SUIWU turns profitable
- Growing beachheads
 - Nanjing Chemical Industrial Park
 - Completion of a 30,000 m³/day high salinity wastewater treatment plant
 - Expansion of wastewater capacity by 12,500 m³/day. Expected completion by 1H2009
 - Zhangjiagang Free Trade Zone
 - Building new 40,000 m³/day industrial water recycling facility
 - MOU with Zhangjiagang City to expand scope of cooperation in water management
 - Shenyang Chemical Industrial Park
 - Acquiring 3 water works facilities with design capacity of 160,000 m³/day
- Announcement by NDRC (Regulator) in June 2008 of a nationwide increase in electricity tariffs

Utilities



Key Developments

China: A regional hub of growth



Utilities

Key Developments

Other Markets

- Phu My 3 (Vietnam) and Fujairah 1 IWPP (UAE) operations continue to perform well
- Regional HQ set up in Abu Dhabi to spearhead growth in MENA



Utilities

Key Developments

MENA: A regional hub of growth



Map source: University of Texas Libraries, The University of Texas at Austin

UAE: Fujairah

- Existing 535MW and 100MiGD IWPP
- 225MW expansion under construction (1Q2009)
- Exploring additional 20MiGD desalination capacity

UAE: Abu Dhabi

- MOU with ZonesCorp to provide centralised utilities and other services in specialised economic zones

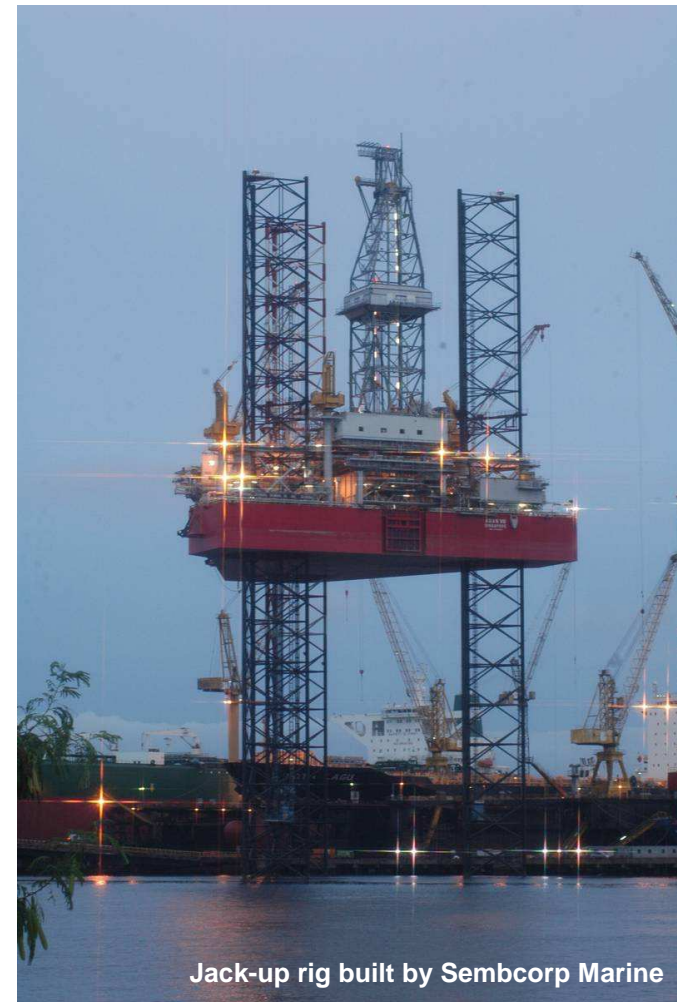
Oman: Salalah

- Bid submitted for Salalah IWPP

Marine

	1H08	Change (%)
Turnover (\$M)	2,302.2	(↑15)
EBITDA (\$M)	223.6	(↑28)
EBIT (\$M)	190.9	(↑29)
PATMI (\$M)	219.6	(↑38)
ROE* (%)	27	

- Strong top and bottom-line growth
- Net order book of \$9.6 billion as at August 5, 2008



Note: Figures taken at Sembcorp Marine Group level
* Annualised

Marine



Key Developments

- Net order book at \$9.6 billion as at August 5, 2008 with completions and deliveries until 2012
- Contracts secured in 2008 to-date worth \$4.4 billion
- Strategic alliance with Rio de Janeiro-based MacLaren shipyard to operate a shipyard in Brazil
- Ship repair demand is expected to remain buoyant, while fundamentals for the offshore market remain strong due to positive growth in the global demand for oil and gas

Environment

	1H08	Change (%)
Turnover (\$M)	108.4	(↑7)
EBITDA (\$M)	4.3	(↑24)
EBIT (\$M)	(1.2)	(↓17)
PATMI (\$M)	4	(↓48)
ROE* (%)	4	

- Continued focus on pre-disposal treatment and waste-to-resource
- Performance affected by start-up costs of solid waste treatment plant



* Annualised

Environment



Key Developments

- Improvements being made to solid waste treatment and resource recovery plant in Singapore
- Ongoing feasibility study on conversion of recovered resources to alternative fuel. Study to be completed by early 2009
- Australia joint venture continues to secure leading position in waste-to-resource sector with the acquisition of the 50% remaining interest in SITA-CEC

Industrial Parks

	1H08	Change (%)
Turnover (\$M)	9.6	(↓41)
EBITDA (\$M)	2.9	(↓49)
EBIT (\$M)	2.2	(↓29)
PATMI (\$M)	13.9	(↓13)
ROE* (%)	5	

- Underlying operations remain healthy
- Contributions affected by translation loss due to weakening USD and divestment of WGCM in May 2007



* Annualised

Industrial Parks



Key Developments

- 130 ha of industrial land in VSIP Bac Ninh committed, with profit to be booked over next 2 years
- Broadening recurring income from new developments in WSIP:
 - To develop 80,000 m² business park with Hong Kong listed company First Shanghai Ltd
 - Completed 110,000 m² build-to-suit factory for Suntech Power. Long term lease commenced August 2008

Group Outlook



Group 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.

Positioned for the Future



- Leveraging capabilities in energy and water to seize growth opportunities
- Exploring alternative fuels to enhance centralised utilities business
- Establishing and growing beachheads in regional hubs
- Strong balance sheet to seize opportunities for growth through M&A
- Organised to harness synergies across the group



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