



PRESS RELEASE

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SEMBCORP 1Q2008 PROFIT BEFORE TAX UP 8% TO S\$204 MILLION

SINGAPORE, May 14, 2008 – Sembcorp Industries (Sembcorp) reported a 17% growth in turnover for the first three months of 2008 (1Q2008). The Group's turnover grew from S\$1.8 billion in the first quarter of 2007 (1Q2007) to S\$2.2 billion in 1Q2008. Profit before tax was up 8% to S\$204 million from 1Q2007. Group Profit After Tax and Minority Interest (PATMI) stood at S\$123 million for the quarter. In 1Q2007, Group PATMI was S\$129 million, boosted by a S\$14.5 million write-back of provision for deferred tax 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 49% and 45% of Group PATMI respectively. Marine's contribution to Group PATMI rose 22% to S\$56.0 million mainly due to higher operating margins from its rig building and ship repair businesses and better contribution from its associates. Utilities' PATMI stood at S\$60.9 million compared to S\$66.0 million in the previous year as the business had recorded a one-off gain of the sale of land on the Wilton International site in 1Q2007.

Mr Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, "Sembcorp has achieved significant milestones this quarter in our development as a leading international player in water resources management. In Singapore, we were awarded Singapore's latest and largest NEWater plant. Meanwhile in China, in recognition of our expertise in water, our industrial water recycling project in the Zhangjiagang Free Trade Zone was selected as a showcase by the governments of China and Singapore. Leveraging on our distinctive capabilities, we are well-positioned to seize growth opportunities in the fast-growing water sector."

The NEWater project, which will produce 50 million gallons per day of NEWater by 2010, and the 40,000 cubic metres per day Zhangjiagang water recycling facility, will further reinforce Sembcorp's position as Singapore's largest water company. Today, Sembcorp has over four million cubic metres per day of water under management and in development.

Sembcorp's FY2008 Outlook

Barring unforeseen circumstances, in FY2008 the Group expects to maintain its FY2007 PATMI before exceptional items and the one-off tax writeback in 2007.

Highlights from Sembcorp's 1Q2008 Financial Results

- Turnover of S\$2.2bn, up 17%
- PBT of S\$204m, up 8%
- PATMI at S\$123m
- Return on Equity (annualised) at 16%
- Strong balance sheet and cash flow
 - Interest cover at 14 times
 - Operating cash flow of S\$221m
- Rewarding shareholders
 - FY2007 final tax exempt 1-tier dividend of 15.0 cents per ordinary share to be paid on May 15, 2008

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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 environmental and industrial park management services in the region. Sembcorp has total assets of over S\$8.7 billion and employs more than 6,700 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.