



PRESS RELEASE

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SEMBCORP'S FY2007 PATMI BEFORE EI UP 46% TO \$557.2 MILLION

Proposes final tax exempt one-tier ordinary dividend of 15.0 cents per share

Singapore, February 29, 2008 - Sembcorp Industries (Sembcorp) delivered strong growth and operating results for the full year ended December 31, 2007 (FY2007). The Group's FY2007 Profit After Tax and Minority Interest (PATMI) before exceptional items (EI) showed a growth of 46% to \$557.2 million, while turnover was up 6% to \$8.6 billion. Group PATMI for the year stood at \$526.2 million. This included a net exceptional loss of \$31.0 million, which comprised the Group's share of losses recognised by the Marine & Offshore Engineering business arising from payments made to banks to-date relating to unauthorised foreign exchange transactions, partially offset by gains on the sale of certain investments.

Sembcorp's return on equity stood at a strong 18%, and earnings per share was 29.6 cents.

Strong performance from its Utilities and Marine & Offshore Engineering businesses continued to drive Sembcorp's robust operating performance for FY2007. Utilities' PATMI increased by 19% to \$230.2 million, mainly due to better contributions from its Singapore and UK operations. Marine & Offshore Engineering's contribution to Group PATMI rose 71% to \$220.1 million due to higher turnover and operating margins from its rig building and ship repair businesses, as well as better contribution from its associates.



“Sembcorp’s strategic focus on our core businesses and growing the businesses overseas has paid off as can be seen by our strong operating results. Our Utilities business has further secured and renewed \$2.2 billion worth of long term contracts, thereby broadening our base. Meanwhile, our Marine & Offshore Engineering business clinched \$5.4 billion worth of contracts in 2007. Its total net orderbook to-date stands at a solid \$7.4 billion with orders stretching to 2011.

“We are also increasing our focus on our water business going forward. Sembcorp is already the largest water management company in Singapore, managing a total of about four million cubic metres per day worldwide. Our recent award of the 228,000 cubic metres per day Changi NEWater project by PUB will add further thrust to our water strategy.

“Sembcorp’s businesses have strong fundamentals, our balance sheet is strong and against the background of a weaker economic environment, we are well-positioned to seize opportunities for growth through selective acquisitions and partnerships,” said Mr Tang Kin Fei, Group President & CEO.

2007 Dividend

The Board of Directors is pleased to propose a final tax exempt one-tier dividend of 15.0 cents per ordinary share for 2007. If approved by shareholders, this will be paid on May 15, 2008.

FY2008 Outlook

Barring unforeseen circumstances, in FY2008 the Group expects to maintain its FY2007 PATMI before exceptional items excluding the one-off tax write-back.

Highlights from Sembcorp's FY2007 Financial Results

- **Robust performance and growth**
 - Group PATMI before EI at \$557.2m, up 46%
 - Group turnover of \$8.6bn, up 6%
- **Favourable tax ruling by IRAS resulting in a \$48 million tax credit in 4Q2007**
- **Strong balance sheet**
 - Net gearing at 0.01x
 - Interest cover at 15x
- **Return on Equity (annualised) at 18%**
- **Positive Economic Value Added at \$417.1m**
- **Rewarding Shareholders**
 - Proposing a final tax exempt one-tier ordinary dividend of 15.0 cents per share
 - Represents a 25% increase from previous year's 12.0 cents per share net ordinary dividends (gross: 12.9 cents)
 - To be paid on May 15, 2008 if approved by shareholders at AGM

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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 industrial park and environmental management services in the region.

Sembcorp Industries has total assets of over \$8.7 billion and employs more than 6,700 employees.

Listed on the main board of the Singapore Exchange, Sembcorp Industries is a component stock of the Straits Times Index and several MSCI indices.