

FY2007 Results Announcement

February 29, 2008



Scope of Presentation



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



CEO's Report

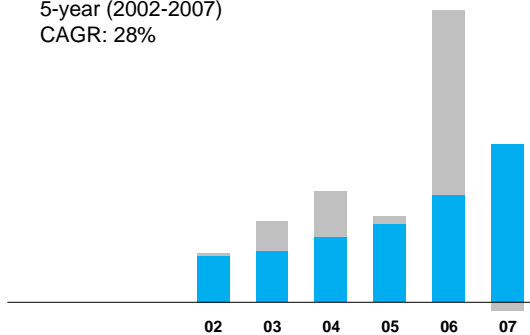
Tang Kin Fei

Group President & CEO

Strong Growth & Operating Results

(\$M)	02	03	04	05	06	07
PATMI before EI	161	184	228	278	381	557
EI	11	101	163	25	650	(31)

PATMI before EI
5-year (2002-2007)
CAGR: 28%



PATMI = Profit after tax and minority interest
EI = Exceptional items
CAGR = Compounded annual growth rate

FY2007 Performance Round-up

Turnover
\$8.6bn **6%**

PATMI before EI
\$557.2m **46%**

ROE before EI
19% **1%**

Rewarding Shareholders



DIVIDENDS AND CAPITAL REDUCTION (cts/share)

	01	02	03	04	05	06	07
Ordinary Dividends	3.00	3.00	5.00	5.00	6.50	12.90	15.00
Special Dividends	-	1.50	2.00	6.25	-	16.00	-
Capital Reduction	-	-	-	-	11.70	15.00	-
Dividend Payout Ratio (%)	24	37	35	42	101	74	51
EPS before EI (cts)	9.30	8.96	10.09	12.49	15.74	21.64	31.32

FY07

▶ Net ordinary dividends up

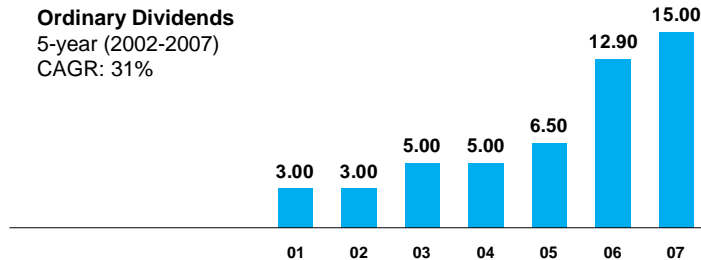
25%

▶ 2007 Total Shareholder Return

59%

vs STI's 18%

Ordinary Dividends
5-year (2002-2007)
CAGR: 31%



EPS = Earnings per share
EI = Exceptional items
CAGR = Compounded annual growth rate
STI = Straits Times Index

5

Positioned for the Future



Strong fundamentals

Growing baseload, earnings visibility

Utilities

- \$2.2 billion new and renewed long-term contracts secured
- Additional 90 BBtu of natural gas to be imported



Marine & Offshore Engineering

- \$7.4 billion net orderbook as at Feb 22, 2008 with completions and deliveries until 2011
- Long-term strategic alliances with ship repair customers



BBtu= billion British thermal units

6

Positioned for the Future



Capabilities to capture growth opportunities

Energy

- **Renewable Energy:** Sembcorp Biomass Power Station, one of the UK's largest biomass renewable energy projects



Water

- **High COD Wastewater Treatment:** Zhangjiagang high concentration wastewater treatment facility selected as G-to-G showcase
- **Water Recycling:** 50mgd Changi NEWater plant, Singapore's largest water recycling facility



Environment

- **Pre-disposal Treatment:** Pre-disposal treatment facilities for solid waste in Singapore and Australia



COD=chemical oxygen demand
mgd= million gallons per day

7

Positioned for the Future



Building breadth and scale



- New beachheads in Northeast China (Utilities)
- Strategic entry into North Vietnam (Parks)



8

Financial Review

Lim Joke Mui

Group CFO

Group Profit & Loss

(\$M)	FY07	FY06	Δ%
CONTINUING OPERATIONS			
Turnover	8,619	7,486	15
EBITDA	850	675	26
EBIT	667	510	31
PBT	813	615	32
PATMI	557	373	49
EPS (cents)	31.3	21.2	48
DISCONTINUED OPERATIONS¹			
Turnover	-	621	NM
PATMI	-	8	NM
GROUP			
Turnover	8,619	8,107	6
PATMI before EI	557	381	46
EI	(31)	650	(106)
PATMI	526	1,031	(49)
EPS (cents)	29.6	58.6	(50)

- ▶ **Strong earnings growth**
- ▶ **Turnover up 6% and PATMI before EI up 46%**

¹ Discontinued operations are the Group's interests in SembCorp Logistics (divested on Apr 3, 2006) and SembCorp Engineers and Constructors (88% divested on Jun 2, 2006 and remaining 12% on Oct 17, 2006)

Group Turnover



(\$M)	FY07	FY06	Δ%
CONTINUING OPERATIONS			
Utilities ¹	3,736	3,426	9
Marine	4,512	3,539	27
Enviro	205	210	(2)
Parks	23	65	(64)
Other Businesses ¹	143	246	(42)
	8,619	7,486	15
DISCONTINUED OPERATIONS			
Logistics ²	-	133	NM
Engineering & Construction ³	-	488	NM
TOTAL	8,619	8,107	6

¹ Offshore Engineering has been re-classified from "Utilities" to "Other Businesses"

² SembCorp Logistics was divested on Apr 3, 2006. FY06 figures reflect three months of results

³ 88% of SembCorp Engineers & Constructors was divested on Jun 2, 2006 and the remaining 12% on Oct 17, 2006. FY06 figures reflect five months of results

11

Group PATMI



(\$M)	FY07	FY06	Δ%
CONTINUING OPERATIONS			
Utilities ¹	230.2	194.1	19
Marine	220.1	128.6	71
Enviro	13.6	(18.4)	NM
Parks	34.0	42.5	(20)
Other Businesses ¹	25.7	35.1	(27)
Corporate	33.6	(8.7)	NM
	557.2	373.2	49
DISCONTINUED OPERATIONS			
Logistics ²	-	7.9	NM
Engineering & Construction ³	-	(0.3)	NM
	-	7.6	NM
GROUP			
PATMI before EI	557.2	380.8	46
EI	(31.0)	650.2	NM
PATMI after EI	526.2	1,031.0	(49)

¹ Offshore Engineering has been re-classified from "Utilities" to "Other Businesses"

² SembCorp Logistics was divested on Apr 3, 2006. FY06 figures reflect three months of results

³ 88% of SembCorp Engineers & Constructors was divested on Jun 2, 2006 and the remaining 12% on Oct 17, 2006. FY06 figures reflect five months of results

12

Utilities Turnover & PATMI



(\$M)	FY07	FY06	Δ%
TURNOVER			
Singapore	2,879.4	2,671.1	8
UK	829.9	765.7	8
Other countries	56.3	27.6	104
Total Revenue	3,765.6	3,464.4	9
PATMI			
Singapore	126.5	99.6	27
UK	106.8	91.2	17
Other countries	25.1	8.9	182
Corporate & Others*	(28.2)	(13.6)	(107)
Gain on sale of SMOE	-	8.0	NM
TOTAL PATMI	230.2	194.1	19

* Corporate & Others have been restated to include Growth & Venture costs for Utilities, which used to be classified under SCI Corporate cost

13

Exceptional Items



(\$M)	FY07
Gain on disposal of investments	153.3
– Cosco Corporation	114.6
– Gallant Venture	38.7
Foreign exchange losses arising from unauthorised transactions in Marine & Offshore Engineering	(184.3)
TOTAL	(31.0)

14

Group Capex



(\$M)		FY07
Fixed Asset Items		456.9
- Utilities	321.4	
- Marine	106.8	
- Enviro	25.2	
- Other Businesses	3.5	
Equity Investments		68.9
- Utilities	3.2	
- Marine	64.5	
- Other Businesses	1.2	
TOTAL		<u>525.8</u>

15

Group Cash Flow



(\$M)	FY07	FY06
CASH FLOW FROM OPERATING ACTIVITIES		
- before changes in working capital	849	735
- changes in working capital	74	(91)
- net payment to banks for unauthorised transactions	(261)	-
- payment for Solitaire settlement	-	(683)
- tax paid	(48)	(47)
	614	(86)
CASH FLOW FROM INVESTING ACTIVITIES		
- divestment proceeds & sale of FA	507	876
- acquisitions of investments	(54)	(423)
- acquisitions of fixed assets	(456)	(465)
- dividends, interest & others	98	98
	95	86
CASH FLOW FROM FINANCING ACTIVITIES		
- issue of shares by SCI/subsidiaries	53	71
- repayment of loans & interest	(22)	280
- dividend paid & others	(612)	(143)
- capital reduction paid to shareholder of the Company	-	(265)
	(581)	(57)
NET INFLOW/(OUTFLOW) DURING THE YEAR	128	(57)
CASH & CASH EQUIVALENTS AT END OF THE YEAR	1,296	1,173
FREE CASH FLOW*	992	461

*Free cash flow: operating cash flow plus investing cash flow adjusted for expansion capital expenditure of \$214 million

16

Group Borrowings



(\$M)	Dec 31, 07	Dec 31, 06
PF loans	511	538
Long-term	398	622
Short-term	432	163
Gross	1,341	1,323
Less: Cash and FD	(1,297)	(1,186)
Net Debt	44	137
Net Gearing Ratio	0.01	0.04
Exclude PF*		
Net Cash	(306)	(238)
Net Gearing Ratio	Net Cash	Net Cash

* PF – Non-recourse project financing

17

Financial Indicators



	FY07	FY06
Before EI		
EPS (cents)	31.3	21.6
ROE (%)	19.0	18.3
ROTA (%)	9.6	7.8
Interest Cover (times)	16	13
After EI		
EPS (cents)	29.6	58.6
ROE (%)	18.0	42.8
ROTA (%)	8.7	16.4
Interest Cover (times)	15	22
Per Share		
NAV (\$)	1.70	1.59
NTA (\$)	1.64	1.52
Economic Value Added	FY07	FY06
EVA (\$M)	417.1	924.7

18

Operations Review

Tang Kin Fei

Group President & CEO

Utilities

	FY07
Turnover (\$M)	3,765.6 (↑ 9%)
EBITDA (\$M)	404.7 (↑10%)
EBIT (\$M)	302.1 (↑ 9%)
PATMI before EI (\$M)	230.2 (↑19%)
PATMI (\$M)	230.2 (↑19%)
ROE (%)	24

- Strong performance by Singapore and UK operations



Utilities



Key Developments

Singapore

- Secured \$240 million of new and renewed utilities and gas contracts (average contract duration of 13 years)
- Heads of agreement signed for the importation of an additional 90 BBtu per day of natural gas from Indonesia. Existing capacity augmented by 26%
- Started retail CNG service on mainland Singapore under new brand name "GPlus" in February 2008
- Completion of 1,300m³/day high salinity wastewater treatment plant featuring thermophilic membrane bioreactor
- Awarded DBOO Changi NEWater project in February 2008



BBtu= billion British thermal units
CNG= compressed natural gas
DBOO = design-build-own-operate

21

Utilities



Key Developments

Changi NEWater Plant, Singapore

- The largest NEWater plant in Singapore
- Producing 50 million gallons (228,000m³) per day by 2010
- Design-Build-Own-Operate for a term of 25 years
- Total investment: \$180 million
- Recurring earnings from long term NEWater supply agreement with PUB



Artist's impression of the Changi NEWater plant

22

Utilities



Key Developments

UK

- Continued growth on Wilton International
 - Ensus building a 400 million litre per annum bio-ethanol plant on site. Land sales and 15-year utilities agreement secured
- Secured \$1.4 billion of new and renewed contracts (including the 15-year Ensus utilities contract)
- Additional onsite steam and power capacity
 - New 42MW/162 tonnes per hour combined heat and power unit under construction. Expected project completion: end-2008
 - 120 tonnes per hour package boilers under construction. Expected project completion: mid-2008
- Opening of Sembcorp Biomass Power Station, one of the UK's largest biomass renewable energy projects

MW=megawatts

23

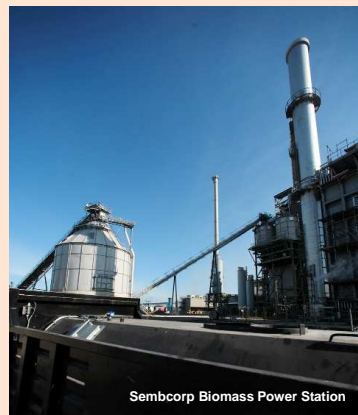
Utilities



Key Developments

Sembcorp Biomass Power Station, UK

- Total investment: £64 million (approx \$193 million)
- Generating 30 MW of renewable energy
- Project completion: September 2007
- Carbon dioxide emissions reduced by about 200,000 tonnes a year
- Additional income from Renewable Obligation Certificates (ROCs), Levy Exemption Certificates (LECs) and Carbon Credits



Sembcorp Biomass Power Station

MW=megawatts

24

Utilities



Key Developments

Zhangjiagang High Concentration Wastewater Treatment Facility, China

- Selected by Governments of Singapore and China as showcase for integrated water resources management
- 15,000 m³/day facility (equivalent to a 120,000 m³/day municipal plant) is first in China to treat high concentration wastewater directly from customers
- Influent chemical oxygen demand (COD) concentration of 4,000 mg/litre
- Expected project completion: end 2008
- Total investment: \$20 million



25

Utilities



Key Developments

China

- Secured new contracts worth \$592 million comprising mostly of 15 to 20 year long term contracts
- New beachheads in Northeast China
 - Tianjin: 10,000 m³/day industrial wastewater treatment plant
 - Shenyang: 50,000 m³/day industrial water supply network
- Expansions on existing beachheads
 - Nanjing Chemical Industrial Park
 - 100,000 m³/day industrial water treatment facility completed
 - 30,000 m³/day high salinity wastewater treatment plant expansion under construction.
 - Zhangjiagang Free Trade Zone
 - 15,000 m³/day high concentration wastewater treatment plant expansion under construction
 - High concentration wastewater treatment facility selected as G-to-G showcase
 - Shanghai Chemical Industrial Park
 - 2 x 130 tonnes per hour coal fired boilers completed / under commissioning
- In November 2007, the Shanghai Price Bureau announced a 28% increase in the price of natural gas for industrial usage, but electricity prices have not been adjusted

26

Utilities



Key Developments

Other Markets

- **Vietnam:** Phu My 3 continued to perform well
- **UAE:** Fujairah 1 IWPP completed one year of operations and surpassed contractual plant availability



Phu My 3



Fujairah 1 IWPP

Marine



	FY07
Turnover (\$M)	4,513.1 (↑27%)
EBITDA (\$M)	413.1 (↑51%)
EBIT (\$M)	346.7 (↑54%)
PATMI before EI (\$M)	355.6 (↑70%)
PATMI (\$M)	241.0 (↑ 1%)
ROE (%)	16

- Solid growth in turnover and operational profits
- Net orderbook of \$7.4 billion as at February 22, 2008



Jack-up rig built by Sembcorp Marine

Note: Figures taken at Sembcorp Marine Group level

Marine



Key Developments

- Net orderbook at \$7.4 billion as at February 22, 2008 with completions and deliveries until 2011
- Record \$5.4 billion worth of contracts secured in 2007. Contracts secured in 2008 worth \$401 million to-date
- Ship repair demand and rig building fundamentals remain strong, while production floater orders continue at a strong pace
- On February 14, 2008, Sembcorp Marine announced that Jurong Shipyard reached full and final settlement with 9 of the 11 banks involved in the Unauthorised Transactions. The net position arising from the Unauthorised Transactions have been reduced from US\$303 million to US\$258.7 million

29

Enviro



	FY07
Turnover (\$M)	207.5 (↓2%)
EBITDA (\$M)	9.0 NM
EBIT (\$M)	1.7 NM
PATMI before EI (\$M)	13.6 NM
PATMI (\$M)	13.6 NM
ROE (%)	7

- Positive turnaround
- Strong contribution from Australian operations



Enviro



Key Developments

- Development of new pre-disposal treatment method: Solid waste treatment and recycling plant in Singapore
 - Lowers disposal cost
 - Recovery of ferrous, non-ferrous and plastics to improve yield of recyclables
 - Exploring alternative use of by-products and residue
 - Initial stages of ramp-up, full ramp-up expected 2H2008

By-products and Residue



Ferrous



Non-ferrous



Plastics



Smaller than 40mm residue waste



Larger than 40mm residue waste

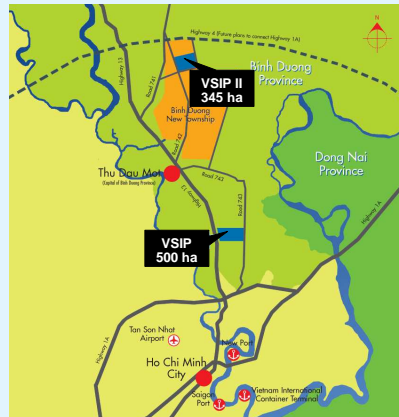
- Australian joint venture expands post collection/ treatment businesses with 4 new acquisitions including the acquisition of a waste-to-alternative fuel facility

Parks



	FY07	
Turnover (\$M)	25.8	NM*
EBITDA (\$M)	58.2	NM*
EBIT (\$M)	55.4	NM*
PATMI before EI (\$M)	34.0	(↓20%)
PATMI (\$M)	72.7	(↓51%)
ROE (%)	13	

- Growth of 30% in FY07 PATMI before EI excluding one-off writeback of provision for loan and interest income from WSIP totalling \$16.4 million in FY06



* Comparisons of 2006 with 2007 are not meaningful as Nirwana Gardens was divested and VSIP deconsolidated in 2006, and Wuxi Garden City Mall divested in 2007.

Industrial Parks



Key Developments

- VSIP II in southern Vietnam
 - 95% of the land taken up and factory space fully occupied
 - 45 new customers secured in 2007
- Bac Ninh in northern Vietnam
 - Entry into Northern Vietnam with a 700-hectare integrated industrial park in Bac Ninh, 20 km from Hanoi
 - 15 customers have committed to invest in the park
- Hai Phong in northern Vietnam
 - Signed MOU to explore feasibility of developing a 1,200-hectare integrated industrial park and township in Hai Phong, Vietnam's third largest city
- WSIP to construct a 110,000 m² build-to-suit factory and enter into a 12-year lease agreement with Suntech Power, broadening recurring income
- Cash proceeds of \$68.8 million (net gain of \$38.7 million) from sale of 70 million Gallant Venture shares. Current stake at 23.9%

MOU=Memorandum of Understanding

33

Summary & Outlook



Summary



- A focused Sembcorp with strong international operations
- Performance underpinned by stable baseload earnings from long-term contracts and a strong orderbook
- Capabilities to capture opportunities in fast growing sectors (Energy, Water and Environment)
- Beachheads in fast growing markets such as China, Vietnam, Middle East
- Organised to harness synergies across the Group
- Strong balance sheet to seize opportunities for growth through M&A
- Focused on enhancing shareholder value

35

2008 Group Outlook



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

36

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