



PRESS RELEASE

SEMBCORP REPORTS RECORD PROFIT of \$567.9 MILLION at 1H2006

- **Group PATMI up 287% to \$567.9 million**
- **Efforts to streamline Group focus pay off with earnings from continuing operations up 48% to \$166.8 million (PATMI before EI)**

Singapore, August 7, 2006 - SembCorp Industries (SembCorp) delivered a solid first half 2006 performance with strong earnings growth. Group Profit After Tax and Minority Interest (PATMI) reached a record \$567.9 million, while PATMI before exceptional items (EI) from continuing operations saw a strong growth of 48% to \$166.8 million on the back of a 38% rise in turnover to \$3.6 billion.

Of the Group's continuing operations, the Utilities and Marine Engineering businesses contributed close to 90% of the Group PATMI. Utilities' PATMI grew 31% to \$92.7 million, underpinned by recurring earnings from Singapore, strong performance of its UK and Vietnam operations as well as improved performance of the Offshore Engineering unit. Meanwhile, Marine Engineering's contribution to Group PATMI before EI grew 53% to \$55.1 million boosted by higher operating margins from rig-building and ship repair businesses.

"Our efforts to restructure and further streamline our focus have made 2006 a landmark year for the Group. With the divestment of our Logistics and Engineering and Construction businesses, SembCorp is now focused on centralised utilities & energy, environmental management and marine & offshore engineering. Going forward, and given the strong fundamentals of our core businesses coupled with favourable industry prospects; our company is in a good position to actively capitalise on opportunities and grow," commented Mr Tang Kin Fei, Group President & CEO.

SembCorp's FY2006 Outlook

With the exceptional gains recorded to-date, the Group's overall performance for 2006 is expected to be substantially better than that of 2005.

Highlights for SembCorp's 1H2006 Financial Results

- **Record Group PATMI at \$567.9 million, up 287%**

- **Strong Earnings Growth from Continuing Operations**
 - Turnover of \$3.6 billion, up 38%
 - PATMI before EI of \$166.8 million, up 48%

- **Sound Business Fundamentals**
 - Recurring earnings from Utilities
 - Strong growth from Marine

- **Healthy Balance Sheet**
 - Net cash position
 - Interest cover at 15 times

- End -

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About SembCorp Industries

SembCorp Industries Ltd is a leading utilities and marine group. The Group provides centralised utilities & energy to industrial customers in Singapore, the United Kingdom, Asia and the Middle East. It is a global leader in marine & offshore engineering and also a provider of environmental management services in the region.

SembCorp Industries has total assets of S\$6.9 billion and employs more than 8,000 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.