PRESS RELEASE

SEMBCORP 9M2016 NET PROFIT AT S$247.4 MILLION

9M2016 Highlights

- Group net profit at S$247.4 million
- Utilities’ 9M2016 net profit up 11% excluding divestment gains. Overseas Utilities operations deliver a 20% growth in net profit

Singapore, October 27, 2016 – Sembcorp Industries (Semcorp) posted a net profit of S$247.4 million and a turnover of S$5.9 billion for the first nine months of 2016 (9M2016) compared to S$488.1 million and S$7.1 billion in 9M2015 respectively.

In 9M2016, the Utilities business contributed S$258.8 million in net profit to the Group, growing 11% over 9M2015 excluding significant items recorded in 9M2015. In 9M2015, the business recorded a gain of S$72.4 million from the divestment of its municipal water operations in the UK and China. Utilities’ overseas operations delivered a 20% growth in net profit underpinned by better performance from China, India and the Middle East. While the Urban Development business recorded a net profit of S$6.0 million compared to S$17.6 million in 9M2015, further profits from land sales in China will be recognised in 4Q2016.

The Marine business contributed a net profit of S$27.3 million compared to S$151.0 million in 9M2015 mainly due to lower contribution from rig building projects, higher finance costs, impairment of available-for-sale financial assets and share of losses from associates. In the previous year, Sembcorp Marine made a provision of S$609 million in 4Q2015.

Group return on equity (annualised) was 5.2% and earnings per share amounted to 12.2 cents. Cash and cash equivalents stood at S$2.1 billion.

In the third quarter of 2016 (3Q2016), the Group posted a net profit of S$53.9 million and a turnover of S$2.1 billion compared to S$122.3 million and S$2.4 billion in 3Q2015 respectively.
Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, “Sembcorp’s diversified portfolio gives us strength and resilience as a Group. Our Utilities business delivered a healthy performance in 9M2016. The business’ net profit was up 11% excluding divestment gains recorded the previous year. Overseas Utilities operations delivered a 20% net profit growth.”

FY2016 Outlook

Utilities
The Singapore utilities business continues to face intense competition in the power market.

In India, the SGPL power plant will be completed by the end of the year. SGPL is working to secure long-term power purchase agreements. TPCIL will see a full year’s contribution underpinned by secured long-term contracts.

Meanwhile, Utilities’ operations in China are expected to deliver a better performance than 2015.

Marine
The global oil and gas industry remains subdued and uncertain. Receipts from project deliveries and achievements of progress milestones have improved Sembcorp Marine’s cash flow and balance sheet during the quarter. The business will continue to focus on liquidity, costs and balance sheet management. This includes active management of its manpower requirements in line with changing needs.

Sembcorp Marine expects to navigate these tough times, having gone through several downcycles in the past. With a strong core team and strategic investments in infrastructure and technology built over the years, the business is more resilient and better positioned to capture new opportunities.

Urban Development
The Urban Development business is expected to deliver a steady operating performance in 2016.

Group
The current market environment remains challenging. With our strategic presence in key emerging markets and strong capabilities, the Group is confident that it will continue to create and deliver long-term value and growth.
Summary of Sembcorp’s 9M2016 Financial Results

- Turnover at S$5.9 billion, down 18%
- Profit from Operations* at S$617.1 million, down 25%
- Net Profit at S$247.4 million, down 49%
- EPS at 12.2 cents
- ROE (annualised) at 5.2%

*Profit from Operations = Earnings before Interest and Tax + Share of Associates and JVs’ results (net of tax).

- End -

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**ABOUT SEMBCORP INDUSTRIES**

Sembcorp Industries is a leading energy, water and marine group operating across five continents worldwide. With facilities of over 10,000 megawatts of gross power capacity and close to nine million cubic metres of water per day in operation and under development, Sembcorp is a trusted provider of essential energy and water solutions to both industrial and municipal customers. It is also a world leader in marine and offshore engineering as well as an established brand name in urban development.

The Group has total assets of over S$21 billion and employs over 7,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index and several MSCI and FTSE indices.