PRESS RELEASE

SEMBCORP 1H2016 NET PROFIT AT S$193.5 MILLION

1H2016 Highlights

- Group net profit at S$193.5 million
- Interim dividend of 4.0 cents per ordinary share declared

Singapore, August 2, 2016 – Sembcorp Industries (Sembcorp) posted a net profit of S$193.5 million and a turnover of S$3.7 billion for the first half of 2016 (1H2016) compared to S$365.8 million and S$4.7 billion in 1H2015 respectively.

In 1H2016, the Utilities business contributed S$149.9 million in net profit to the Group compared to S$216.0 million in 1H2015. In 1H2015, the business recorded a gain of S$54.7 million from the divestment of its municipal water operations in the UK. The Marine business contributed a net profit of S$40.6 million compared to S$131.4 million in 1H2015 mainly due to lower contribution from rig building projects, higher finance costs and share of losses from associates. The Urban Development business recorded a net profit of S$7.4 million compared to S$13.0 million in 1H2015.

Group return on equity (annualised) was 6.1% and earnings per share amounted to 9.7 cents. Cash and cash equivalents stood at S$1.7 billion.

In the second quarter of 2016 (2Q2016), the Group posted a net profit of S$86.5 million and a turnover of S$1.8 billion compared to S$223.6 million and S$2.4 billion in 2Q2015 respectively.

Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, “The current market environment remains difficult. Sembcorp has over the years built a strong foundation with our strategic presence in key emerging markets and solid capabilities in the energy, water and marine and offshore sectors. Today, we are well-placed to navigate through the challenges ahead so as to create and deliver long-term value and growth.”
Interim Dividend
The Board of Directors is pleased to declare an interim dividend of 4.0 cents per ordinary share, which will be paid on August 31, 2016.

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 steady performance.

Marine
The global oil and gas industry remains subdued and uncertain. Sembcorp Marine remains focused on delivering from its order backlog with net orders totalling S$9.2 billion as at end-June 2016. The business' recent significant and successful project deliveries have improved cash flow. During these challenging times, the Marine business will continue to focus on costs, liquidity and balance sheet management.

Sembcorp Marine’s strategic investments in infrastructure and technology over the years have enhanced its resilience to navigate through these tough times. The business has gone through several down-cycles in the past and have built up a strong core that will enable it to weather the elements during this difficult period.

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 1H2016 Financial Results

- Turnover at S$3.7 billion, down 21%
- Profit from Operations* at S$445.5 million, down 28%
- Net Profit at S$193.5 million, down 47%
- EPS at 9.7 cents
- ROE (annualised) at 6.1%
- Interim dividend of 4.0 cents per ordinary share

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

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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.