SEMBCORP FY2015 NET PROFIT AT S$548.9 MILLION

FY2015 Highlights

- Group net profit at S$548.9 million. Performance affected by Sembcorp Marine
- Utilities business performs well. Overseas growth strategy remains on track
  - Net profit up 72% underpinned by overseas growth and divestment gains
  - More than 3,000 megawatts of new thermal and renewable energy projects secured in 2015 to expand income base
- Final dividend of 6.0 cents per share proposed, bringing total dividend to 11.0 cents

Singapore, February 17, 2016 – Sembcorp Industries (Sembcorp) posted a net profit of S$548.9 million and a turnover of S$9.5 billion for the full year 2015 (FY2015) compared to S$801.1 million and S$10.9 billion in FY2014 respectively.

In FY2015, the Utilities business delivered a 72% growth in net profit to S$701.5 million compared to S$408.0 million in FY2014, underpinned by growth from its overseas operations as well as gains from the sale of its Australian waste management joint venture and municipal water operations in the UK and Zhumadian, China. Meanwhile, the Marine business incurred a net loss of S$176.4 million in FY2015 compared to a net profit of S$340.0 million in FY2014. The Urban Development business posted a net profit of S$33.5 million compared to S$44.3 million in FY2014.

Return on equity for the Group was 9.4% and earnings per share amounted to 29.2 cents. Cash and cash equivalents stood at S$1.6 billion.

In the fourth quarter of 2015 (4Q2015), the Group posted a net profit of S$60.8 million and a turnover of S$2.4 billion compared to S$240.6 million and S$2.7 billion in 4Q2014 respectively.
Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, “Over the last two decades we have built up a strong income base in our Utilities business. Although the Marine business currently faces a challenging period and uncertainties in Brazil, we remain confident in the long term fundamentals for the offshore and marine industry. Today, Sembcorp’s diversified portfolio, balanced between different businesses and geographies, gives us strength and resilience as a Group.

“We also remained focused on creating value through capital recycling and growth. In 2015, we realised a net gain of over S$400 million through divestments which provide us with additional resources to invest in businesses and markets with high growth potential. We also secured over 3,000 megawatts of new thermal and renewable energy projects in China, India, Myanmar and Bangladesh which will expand our income base and provide visibility on future growth.”

**FY2016 Outlook**

**Utilities**
The Utilities business’ overseas growth strategy remains on track. 2016 will see a full year’s contribution from its recently completed TPCIL power plant in India. However, in Singapore, its energy business is expected to face continued intense competition in the power market.

Backed by strong operational, management and technical capabilities, the business remains focused on the execution of its pipeline of projects and the pursuit of new growth opportunities to deliver long-term growth.

**Marine**
In FY2015, Sembcorp Marine secured S$3.2 billion in new orders notwithstanding the challenging macro environment. With these new contracts, net orderbook as at December 31, 2015 stood at S$10.4 billion.

Sembcorp Marine has made prudent impairment and provisions of S$609 million in FY2015 for rig contracts, of which S$329 million relate to Sete Brasil. Looking ahead, this down-cycle is expected to be more protracted than previous cycles. Sembcorp Marine believes that it is sufficiently prepared, not just to ride through the storm, but to lay stronger foundations for the future when the market recovers. It will continue to actively manage its balance sheet to maintain a healthy financial position.
Sembcorp Marine remains optimistic on the longer term prospects of its business as its facilities have been built to cater to the industry’s demand for the long-term. As an integrated Sembcorp Marine, the business will optimise its capabilities and capacities, as well as increase its efficiency and productivity to better serve its partners and customers.

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

Group
The global downturn in the oil and gas sector and competition in the Singapore power market is expected to continue in 2016. With sound strategies and strong capabilities, the Group is committed to creating and delivering long-term value and growth.

Summary of Sembcorp’s FY2015 Financial Results
- Turnover at S$9.5 billion, down 12%
- Profit from Operations at S$631.5 million, down 51%
- Net Profit at S$548.9 million, down 32%
- EPS at 29.2 cents
- ROE at 9.4%
- Proposing final dividend of 6.0 cents per share, bringing total dividends for FY2015 to 11.0 cents per share

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

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For analysts’ and media queries, please contact:

Analysts
Aleve Co (Ms)
Senior Manager
Group Corporate Relations
DID: +65 6723 3178
Email: aleve.co@sembcorp.com

Media
Fock Siu Ling (Ms)
Assistant Vice President
Group Corporate Relations
DID: +65 6723 3011
Email: fock.siuling@sembcorp.com
ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, water and marine group operating across five continents worldwide. With facilities of over 10,600 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 S$20 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.