Singapore, February 23, 2017 – Sembcorp Industries (Sembcorp) posted a net profit of S$394.9 million and a turnover of S$7.9 billion for the full year 2016 (FY2016) compared to S$548.9 million and S$9.5 billion in FY2015 respectively.

In FY2016, the Utilities business contributed S$348.0 million in net profit to the Group. Excluding exceptional items, the business delivered a profit growth of 4% over FY2015, driven by record profits from its China operations. In FY2015, the business divested an Australian waste management joint venture and municipal water operations in the UK and Zhumadian, China and recorded exceptional items totalling S$369.9 million. Utilities’ overseas operations now contribute 63% of the business’ net profit. In FY2016 the Urban Development business recorded a net profit of S$33.3 million compared to S$33.5 million in FY2015.

The Marine business contributed a net profit of S$48.3 million compared to a net loss of S$176.4 million. In FY2015, Sembcorp Marine made impairment and provisions of S$609 million for its rig contracts.

Return on equity for the Group was 6.2% and earnings per share amounted to 19.9 cents. Cash and cash equivalents stood at S$1.9 billion.

In the fourth quarter of 2016 (4Q2016), Group net profit increased 143% to S$147.5 million from S$60.8 million, while turnover stood at S$2.0 billion.
Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, “In 2016, the Utilities business continued to provide a strong income base as the largest profit contributor to the Group. Operations outside Singapore contributed over 60% of the business’ net profit, demonstrating the success of our overseas strategy. While the market environment is expected to remain challenging in 2017, with strong capabilities and resilient businesses, Sembcorp continues to be well-positioned for the future.”

**FY2016 Dividend**
The Board of Directors is pleased to propose a final dividend of 4.0 cents per ordinary share. Together with an interim dividend of 4.0 cents per ordinary share paid in August 2016, this brings total dividend for the year to 8.0 cents per ordinary share. If approved by shareholders, this will be paid on May 16, 2017.

**FY2017 Outlook**

**Utilities**
Utilities’ China operations delivered record profits in 2016. Its performance in 2017 is expected to remain steady although lower than 2016 due to the expiry of the Yangcheng cooperative joint venture agreement in 2016.

In India, Sembcorp has two thermal power plants and renewable energy assets totalling over 3,600 MW. The second thermal power plant, SGPL, commenced full commercial operations in February 2017 but has yet to secure long-term power purchase agreements. As the spot and short-term power tariffs remain weak, its performance is expected to be adversely affected.

In Singapore, the centralised utilities, gas and solid waste management businesses are expected to remain steady. However, the power business continues to face intense competition.

Operating performance in the other regions is expected to be stable.

The Utilities business remains focused on operational excellence as well as the execution of its pipeline of projects to deliver long-term growth.
Marine
While prospects for the oil & gas industry have taken a more positive turn following the November 2016 agreement by OPEC and major non-OPEC countries to cut production, Sembcorp Marine believes a more robust recovery may take longer. Despite the challenging outlook and intense competition, Sembcorp Marine believes that growth prospects for the offshore and marine industry remain positive in the medium to long term.

However, with increasing enquiries for non-drilling solutions, Sembcorp Marine foresees an earlier recovery in demand for fixed platforms, FPSO and FSO conversions and new-builds in the next few years. Rising global demand for gas also augers well for its broad-based LNG solutions and capabilities. Sembcorp Marine believes these are the key segments that will offer opportunities in 2017.

Sembcorp Marine’s strategy and focus remain anchored on strengthening and optimising its talent pool; pursuing operational excellence in executing its projects; investing in new capabilities, products and technological innovation to help grow its orderbook; and prudently managing its financial resources to preserve financial flexibility and ensure overall sustainability of its business.

Urban Development
The Urban Development business is expected to deliver a better performance in 2017, underpinned by land sales in its urban developments in Vietnam, China and Indonesia.

Group
The market environment is expected to remain challenging in 2017. With strong capabilities and resilient businesses, Sembcorp continues to be well-positioned for the future.

Summary of Sembcorp’s FY2016 Financial Results
- Turnover at S$7.9 billion, down 17%
- Profit from Operations* at S$909.0 million, up 44%
- Net Profit at S$394.9 million, down 28%
- EPS at 19.9 cents
- ROE at 6.2%
- Proposing final dividend of 4.0 cents per share, bringing total dividends for FY2016 to 8.0 cents per share

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

Sembcorp Industries is a leading energy, water and marine group operating across five continents worldwide. With facilities of about 11,000 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$22 billion and has around 8,000 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.