



DIVESTMENT OF 40% INTEREST IN SEMBSITA PACIFIC PTE LTD TO SUEZ ENVIRONNEMENT ASIA LTD

Divestment

Sembcorp Industries Ltd (the Company) announces that its wholly-owned subsidiary, Sembcorp Environment Pte Ltd, has signed an agreement to divest its 40% interest in SembSita Pacific Pte Ltd (SembSita) to Suez Environnement Asia Ltd.

About SembSita

SembSita is an investment holding entity for an integrated waste management business in Australia.

Total Consideration

The sale consideration of A\$485 million (approximately S\$482 million*) will be settled in cash and the amount was agreed upon based on a combination of discounted cash flow evaluation and relevant valuation multiples.

Material Conditions attaching to the Transaction

The Divestment is subject to Foreign Investment Review Board approval in Australia, and is expected to be completed by the fourth quarter of 2015.

Financial Effects

The Divestment is expected to result in a net gain of approximately S\$350 million* for the Group.

The financial effects of the Divestment are prepared based on the audited consolidated financial statements of the Company and its subsidiaries (the Group) for the financial year ended December 31, 2014, and are for illustrative purposes only.

* Based on the exchange rate of AUD/SGD 0.9932, as at September 18, 2015.

Financial Effects (cont'd)

	Before Divestment	After Divestment¹
<u>Earnings per Share^{2,3}</u>		
EPS (cents)	44.31	62.00
<u>Net Tangible Assets per Share⁴</u>		
NTA per share (S\$)	2.92	3.12

¹ The estimated net gain of S\$350 million was computed using the book value as at relevant date of S\$142.8 million and taking into account realisation of foreign exchange hedges

² Assuming that the proposed Divestment had been effected on January 1, 2014

³ Computed using profits attributable to equity holders of the Company, less distribution to holders of perpetual securities and weighted average number of shares of 1,786 million

⁴ Assuming that the proposed Divestment had been effected on December 31, 2014 and using the number of shares of 1,784 million as at December 31, 2014

Rationale of Divestment and Use of Proceeds

Since the Company first invested in SembSita in 2000 with Suez, the joint venture has grown significantly and become one of the leading integrated waste management players in Australia. Proceeds from the proposed Divestment will be channelled as additional resources to invest in businesses and markets with high growth potential, in line with the Group's focus on the energy and water sectors.

Interests of Directors

None of the directors of the Group has an interest, direct or indirect, in the Divestment. No director was appointed in connection with the Divestment.

Relative Figures on Bases set out in Rule 1006

The Divestment is classified as “Discloseable Transaction” using the unaudited consolidated financial statements of the Group for the 6-month period ended June 30, 2015. The relative figures in respect of the Divestment, as computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

(a) Net asset value of SembSita, compared with net asset value of the Group	2.1%
(b) Net profits attributable to SembSita, compared with net profits of the Group	2.3%
(c) Consideration of S\$482 million, compared with the Company’s market capitalisation of approximately S\$6,253.7 million as at September 18, 2015, excluding treasury shares, being the market day immediately preceding the date of the Agreement at share price of S\$3.50 per share	7.7%
(d) Number of equity securities issued as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A.
(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas asset by a mineral oil and gas company, but to an acquisition of such assets	N.A.

As the consideration compared with the Company’s market capitalisation, being one of the relative figures computed on the above bases, exceeds 5% but does not exceed 20%, the proposed Divestment constitutes as “Discloseable Transaction” within the meaning of Chapter 10 of the Listing Manual.