

PRESS RELEASE

Sembcorp Industries Ltd
CO REGN NO 199802418D
30 Hill Street #05-04
Singapore 179360
Tel (65) 6723 3113
Fax (65) 6822 3254
www.sembcorp.com

SEMBCORP 1H2014 NET PROFIT UP 6% TO S\$363.9 MILLION**– Board of Directors declares interim dividend of 5 cents per ordinary share**

Singapore, August 6, 2014 – Sembcorp Industries (Sembcorp) delivered a healthy performance for the first half of 2014 (1H2014). Net profit grew 6% to S\$363.9 million from S\$342.2 million in 1H2013, while turnover increased 6% to S\$5.2 billion from S\$4.8 billion in the previous year. The Utilities and Marine businesses continued to be the main profit contributors, accounting for 51% and 42% of Group net profit respectively.

In 1H2014, the Utilities business delivered a net profit of S\$184.4 million compared to S\$201.3 million in 1H2013. While its overseas operations grew, the business' performance was affected by intense competition in the Singapore power market. The Marine business reported a net profit of S\$154.1 million, an increase of 4% from S\$147.7 million, while the Urban Development business reported a 136% growth in net profit to S\$24.3 million from S\$10.3 million in 1H2013.

Return on equity (annualised) for the Group was 13.7% and earnings per share amounted to 20.1 cents. Economic value added was a positive S\$234.9 million while cash and cash equivalents stood at S\$2.2 billion.

In the second quarter of 2014 (2Q2014), Group net profit grew 8% to S\$179.0 million from S\$165.4 million in 2Q2013, while turnover increased 1% to S\$2.5 billion.

Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, "In the first half of 2014, we continued to make good progress in the execution of our pipeline of projects which will underpin the future growth of the Group. We have completed the construction of our 400-megawatt cogeneration plant in Singapore, while the first unit of our 1,320-megawatt power plant in India is currently undergoing pre-commissioning. Meanwhile, our Marine business' shipyard in Brazil remains on track to commence initial operations later this year."

Interim Dividend

The Board of Directors is pleased to declare a tax exempt one-tier interim dividend of 5 cents per ordinary share. The payment of the interim dividend will be on September 2, 2014.

FY2014 Outlook**Utilities**

Notwithstanding the completion of its new S\$635 million cogeneration plant on Jurong Island, competition in the power market has intensified and is expected to affect the performance of its Singapore operations. Overseas operations are expected to deliver continued growth. In 2014, the Utilities underlying core business is expected to deliver a steady performance compared to 2013.

Strategically positioned in key emerging markets, the business continues to focus on its significant growth in capacity.

Marine

The Marine business has a net orderbook of S\$12.7 billion with completion and deliveries stretching into 2019. This includes a total of S\$2.5 billion in new contracts secured since the start of 2014.

Long term fundamentals driving the offshore exploration and production (E&P) market remain stable. However, slowdown in capital expenditure may impact new orders and keen competition continues to exert pressure on margins. The pipeline for new projects is encouraging, based on robust enquiry levels.

The repair business continues to see increase in market share. However, despite the larger number of vessels, the average revenue per ship remained low in view of market conditions.

The four new dry docks at Sembmarine Integrated Yard @ Tuas continue to see full utilisation, while construction of the wholly-owned shipyard in Brazil is on track to commence initial operations in the second half of 2014, and is scheduled for completion in 2015.

Urban Development

The Urban Development business is expected to deliver a comparable performance in 2014, underpinned by land sales in its urban developments in China and Vietnam.

Group

With a strategic presence in key emerging markets, significant growth in capacity and a strong Marine orderbook, Sembcorp is well-positioned to deliver sustainable long-term growth.

Highlights from Sembcorp's 1H2014 Financial Results

- Turnover at S\$5.2 billion, up 6%
- Profit from Operations* at S\$598.9 million, down 2%
- Net Profit at S\$363.9 million, up 6%
- EPS at 20.1 cents
- ROE (annualised) at 13.7%
- Interim dividend of 5 cents per ordinary share

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

- End -

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

Melissa Yee (Ms)

Senior Manager

Group Corporate Relations

DID: +65 6723 3326

Email: melissa.yee@sembcorp.com

ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, water and marine group operating across six continents worldwide. With facilities of over 7,200 megawatts of gross power capacity and over eight 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\$14 billion and employs approximately 10,000 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.