

**PRESS RELEASE**

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**SEMBCORP 1Q2015 NET PROFIT AT S\$142.2 MILLION****1Q2015 Highlights**

- Group net profit at S\$142.2 million amid challenging market conditions
- Utilities' operations overseas continued to perform well
- Commenced operation for the first of two units of the 1,320-megawatt TPCIL power plant in India

**Singapore, May 7, 2015** – Sembcorp Industries (Sembcorp) posted a net profit of S\$142.2 million and a turnover of S\$2.3 billion for the first quarter of 2015 (1Q2015) compared to S\$184.8 million and S\$2.6 billion in 1Q2014 respectively.

The Utilities and Marine businesses continued to be the main profit contributors of the Group, accounting for 97% of Group net profit in 1Q2015. In 1Q2015, the Utilities business contributed S\$74.5 million in net profit to the Group compared to S\$91.6 million in 1Q2014. Performance of the Utilities business was impacted by continued intense competition in the Singapore power market. Its operations overseas continued to perform well. During the quarter, the first of two units of the 1,320-megawatt TPCIL power plant in India commenced operation. Meanwhile, the Marine business contributed a net profit of S\$64.7 million compared to S\$74.3 million in 1Q2014 mainly due to lower rig building and repair earnings. The Urban Development business recorded a net profit of S\$1.1 million in the quarter compared to S\$19.5 million in 1Q2014.

Return on equity (annualised) for the Group was 9.7% and earnings per share amounted to 7.8 cents. Cash and cash equivalents stood at S\$1.6 billion.

Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, "Amidst the challenging environment for our Singapore energy operations and Marine business, we continue to focus on project execution, as well as on enhancing operational excellence and efficiency, to manage our costs and maximise earnings. Underpinned by sound business fundamentals and a healthy pipeline of projects, Sembcorp remains committed to delivering long-term value and growth."

## **FY2015 Outlook**

### **Utilities**

2015 is expected to be challenging for the Singapore energy business with continued intense competition in the power market as well as low oil prices. The overseas business is expected to continue to deliver a steady performance. During the quarter, the first unit of TPCIL power plant in India commenced operation, and the plant will be in full operation by the end of 2015.

### **Marine**

The ongoing cutback in global exploration and production expenditure has resulted in the scarcity of new orders for the industry this year. Competition for new projects remains intense. The Marine business expects to face a challenging year ahead.

Meanwhile, Brazil's oil and gas industry continues to be mired in uncertainty. The Marine business continues to engage with customers to find the best way forward for the drillship projects and is exploring all options including slowing down the construction.

The Marine business' net orderbook to-date stands at S\$10.6 billion with deliveries stretching into 2019.

### **Urban Development**

In 2015, the Urban Development business is expected to deliver a performance comparable to 2014.

### **Group**

Despite the challenges of a low oil price environment and a mixed global economic outlook for 2015, the Group, underpinned by sound business fundamentals and a healthy pipeline of projects, remains committed to delivering long-term value and growth.

The Group remains focused on project execution, as well as on enhancing operational excellence and efficiency, to manage costs and maximise earnings.

### **Summary of Sembcorp's 1Q2015 Financial Results**

- Turnover at S\$2.3 billion, down 11%
- Profit from Operations at S\$253.7 million, down 16%
- Net Profit at S\$142.2 million, down 23%
- EPS at 7.8 cents
- ROE (annualised) at 9.7%

### **Subsequent Events**

- On April 16, 2015, the Group's wholly-owned UK subsidiary, Sembcorp Holdings Limited, has completed the sale of its 100% stake in Sembcorp Bournemouth Water Investment (SBWI) to the Pennon group PLC (Pennon) for an enterprise value of £191.5 million (approximately S\$393 million), with cash proceeds from the sale of £104.5 million (approximately S\$214 million).
- On April 24, 2015, the Group's wholly-owned subsidiary, Sembcorp Utilities, has received the Notice of Award to develop and operate a 225-megawatt gas-fired power plant in central Myanmar by Myanma Electric Power Enterprise (MEPE), a division under the Ministry of Electric Power of Myanmar (MOEP). The total project investment of approximately US\$300 million (approximately S\$418 million) is expected to be funded through a mix of limited recourse project financing and equity. Financial close of the project is expected in the second half of 2015.
- On April 30, 2015, the Group's wholly-owned subsidiary, Sembcorp Properties, through its wholly-owned subsidiary, Riverside Quay, has acquired a 5.66-hectare mixed-use site through a public land auction in the Sino-Singapore Nanjing Eco Hi-tech Island (SNEI) in Jiangsu province. Sembcorp Properties will build and operate the industrial office, which integrates technology and innovative R&D, engineering and commercial initiatives for the water industry.

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**ABOUT SEMBCORP INDUSTRIES**

Sembcorp Industries is a leading energy, water and marine group operating across six continents worldwide. With facilities of over 8,200 megawatts of gross power capacity and over 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\$18 billion and employs over 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.