

**PRESS RELEASE**

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**SEMBCORP 1Q2014 NET PROFIT GROWS 5% TO S\$184.8 MILLION**

**SINGAPORE, May 6, 2014** – Sembcorp Industries (Sembcorp) reported a net profit of S\$184.8 million in the first quarter of 2014 (1Q2014), up 5% from S\$176.9 million in 1Q2013. Turnover for 1Q2014 increased 12% to S\$2.6 billion from S\$2.4 billion. Sembcorp's main profit contributors continued to be its Utilities and Marine businesses, which accounted for 47% and 39% of Group net profit respectively.

In 1Q2014, the Utilities business reported net profit of S\$91.6 million, increasing 3% from S\$89.4 million in 1Q2013, while Marine's net profit in 1Q2014 grew 3% to S\$74.3 million from S\$72.0 million. Meanwhile, the Urban Development business achieved a profit growth of 192% to S\$19.5 million, due to strong contribution from its Nanjing Eco Hi-tech Island project in China.

Return on equity (annualised) for the Group was 13.5% and earnings per share amounted to 10.3 cents for the quarter. Economic value added was S\$115.6 million while cash and cash equivalents stood at S\$2.9 billion.

Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, "In 1Q2014, Sembcorp continued to deliver profit growth, underpinned by better performance from our China operations in both our Utilities and Urban Development businesses.

"Going forward, our strong pipeline of projects which will increase our power capacity by more than 70% and our water and wastewater treatment capacity by more than 20% over the next three years will enhance our recurring income base. Together with strong Marine and Urban Development orderbooks, Sembcorp continues to be well-positioned to deliver sustainable long-term growth."

## **FY2014 Outlook**

### **Utilities**

In 2014, Utilities' underlying core business is expected to deliver a steady performance compared to 2013.

2014 will see continued growth from our overseas operations. 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\$12.9 billion with completion and deliveries stretching into 2019. The Transocean contract to build two Jurong Espadon III proprietary design drillships is a strong endorsement of Marine's strategy to deepen, broaden and strengthen its product offering to capture this growing market segment.

Demand at the new Sembmarine Integrated Yard @ Tuas continues to be strong, while construction of its wholly-owned shipyard in Brazil remains on track to commence initial operations in the second half of 2014 and is scheduled for completion in 2015.

While enquiry levels remain healthy, competition is keen and intense, exerting pressure on margins.

### **Urban Development**

The Urban Development business is expected to deliver a better 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 1Q2014 Financial Results**

- Turnover at S\$2.6 billion, up 12%
- Profit from Operations at S\$300.9 million, down 4%
- Net Profit at S\$184.8 million, up 5%
- EPS at 10.3 cents
- ROE (annualised) at 13.5%

*\*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 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.

*Note to Editors:*

*Please refer to the company as “Sembcorp” (with “S” in upper case and “c” in lower case), or “Sembcorp Industries” in full. Please also note that “Sembcorp” is not an abbreviation of “Sembawang Corporation” but a brand name in itself, and it is therefore incorrect to refer to our company as “Sembawang”, “Sembawang Corporation” or similar.*