

PRESS RELEASE

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SEMBCORP 9M2014 NET PROFIT AT S\$560.5 MILLION

Singapore, November 6, 2014 – Sembcorp Industries (Sembcorp) net profit for the first nine months of 2014 (9M2014) stood at S\$560.5 million compared to S\$596.7 million in 9M2013, while turnover was S\$8.2 billion, an increase of 5% from the same period last year. In 9M2013, the Utilities business recorded gains from the initial public offering of Sembcorp Salalah Power and Water Company in September, which were offset by an impairment made for its UK operations. Excluding these significant items, Group 9M2014 net profit was 6% up from 9M2013. The Utilities and Marine businesses continued to be the main profit contributors, accounting for 53% and 42% of Group net profit respectively.

In 9M2014, the Utilities business delivered a net profit of S\$298.6 million compared to S\$373.7 million in 9M2013. Meanwhile, the Marine business reported a net profit of S\$234.1 million, an increase of 3% from S\$226.3 million, while the Urban Development business reported a 132% growth in net profit to S\$29.3 million from S\$12.6 million in 9M2013.

Return on equity (annualised) for the Group was 14.2% and earnings per share amounted to 31.0 cents. Economic value added was a positive S\$350.1 million while cash and cash equivalents stood at S\$2.2 billion.

In the third quarter of 2014 (3Q2014), Group net profit was S\$196.6 million, while turnover grew 3% to S\$3.1 billion.

Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, "In the quarter, we continued to achieve milestones in positioning Sembcorp for long-term growth. In China, our Utilities business signed a conditional joint venture agreement for two power plants in Chongqing and in India, commissioning has commenced for the first of two units of our 1,320-megawatt Thermal Powertech power plant. Meanwhile, our Marine business continued to secure significant new contracts, building up its orderbook."

FY2014 Outlook

Utilities

Competition in the Singapore power market continues to be intense and is expected to affect the performance of the Utilities business. However, contribution from its overseas business is expected to grow. 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\$12.6 billion with completion and deliveries stretching into 2019. This includes a total of S\$4.2 billion in contracts secured since the start of 2014.

Despite the current low oil price environment, the Marine business believes long-term fundamentals driving the offshore exploration and production (E&P) market remain stable. However, reduction in capex spending could impact new orders and keen competition continues to exert pressure on margins.

The Marine business remains well positioned - having built a broad product offering, a strong execution track record and state-of-the-art facilities at its Sembmarine Integrated Yard @ Tuas. The four new dry docks continue to see high utilisation. Meanwhile, its wholly-owned shipyard in Brazil commenced initial operations in the second half of 2014, with construction completion scheduled for 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 9M2014 Financial Results

- Turnover at S\$8.2 billion, up 5%
- Profit from Operations at S\$921.3 million, down 7%
- Net Profit at S\$560.5 million, down 6%
- EPS at 31.0 cents
- ROE (annualised) at 14.2%

Excluding significant items* from the Utilities business in 9M2013:

- Net Profit at S\$560.5 million, up 6%

**Significant items in 9M2013 amounted to S\$68.6 million, comprising the gain from IPO of Sembcorp Salalah Power and Water Company and an impairment for Teesside UK operations.*

- End -

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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\$16 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.