

PRESS RELEASE

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SEMBCORP POSTS NET PROFIT OF S\$801.1 MILLION IN FY2014**FY2014 Results Highlights**

- Delivers healthy performance amid challenging market conditions
- Group net profit up 3% excluding significant items
- Proposes final tax exempt one-tier dividend of 11.0 cents per ordinary share, bringing total dividend to 16.0 cents per ordinary share

Singapore, February 17, 2015 – Sembcorp Industries (Sembcorp) delivered a healthy performance for the full year 2014 (FY2014) amid challenging market conditions. FY2014 net profit was S\$801.1 million, while turnover stood at S\$10.9 billion. The Group's net profit grew 3% from the previous year excluding significant items recorded in 2013. These significant items comprised gains from the initial public offering of Sembcorp Salalah Power and Water Company, offset by an impairment made for utilities operations in the UK as well as a fair value loss recorded following the reclassification of Gallant Venture as an available-for-sale financial asset. The Utilities and Marine businesses continued to be the main profit contributors at 51% and 42% of Group net profit respectively.

In 2014, our Utilities business contributed S\$408.0 million in net profit to the Group, while our Marine and Urban Development businesses contributed S\$340.0 million and S\$44.3 million to the Group's net profit respectively.

Return on equity for the Group was 15.2% and earnings per share amounted to 44.3 cents. Economic value added was a positive S\$524.7 million while cash and cash equivalents stood at S\$1.7 billion.

In the fourth quarter of 2014 (4Q2014), Group net profit increased 8% to S\$240.6 million, while turnover stood at S\$2.7 billion.

Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, "Sembcorp delivered a healthy performance in 2014. Going forward, we remain committed to delivering long-term value

for our shareholders, and will maintain our focus on operational excellence and on building platforms for growth.

“Strategically positioned in key emerging markets, we continue to expand our energy and water businesses. In February, we accelerated our growth in the renewable energy sector with our acquisition of Green Infra, a leading renewable energy group in India. With investments in both thermal and renewable energy, Sembcorp is well-positioned for growth in the energy sector with a balanced portfolio of energy assets.”

FY2014 Dividend

The Board of Directors is pleased to propose a final tax exempt one-tier dividend of 11.0 cents per ordinary share. Together with an interim dividend of 5.0 cents per ordinary share paid in September 2014, this brings total dividend for the year to 16.0 cents per ordinary share. If approved by shareholders, this will be paid on May 18, 2015.

FY2015 Outlook

Utilities

In Singapore, the business environment is expected to be challenging in 2015 with intense competition in the power market as well as low oil prices. Overseas, our 1,320-megawatt power plant in India will commence operations in phases in 2015.

The Utilities business remains focused on operational excellence and efficiency, as well as the execution of its significant pipeline of projects and the pursuit of new growth opportunities to deliver long-term growth.

Marine

With the steep decline in oil prices in the second half of 2014, major oil and gas companies have announced reduced capital expenditure and deferred some of their planned projects. The Marine business continues to face tough competition in upcoming tenders in the offshore exploration and production sectors.

For the ship repair sector, demand for the business' big docks remains strong which would help cushion the impact of weaker demand in the offshore rig building segment.

The business' performance in 2015 will be supported by its orderbook.

Urban Development

The Urban Development business is expected to deliver a steady operating performance in 2015.

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.

Summary of Sembcorp's FY2014 Financial Results

- Turnover at S\$10.9 billion, up 1%
- Profit from Operations at S\$1.3 billion, down 1%
- Net Profit at S\$801.1 million, down 2%
- EPS at 44.3 cents
- ROE at 15.2%
- Proposes final tax exempt one-tier dividend of 11.0 cents per ordinary share, bringing total dividend to 16.0 cents per ordinary share

Excluding significant items* in FY2013:

- Net Profit at S\$801.1 million, up 3%

**Significant items in FY2013 amounted to S\$43.5 million, comprising the gain from IPO of Sembcorp Salalah Power and Water Company, an impairment for Teesside UK operations and a fair value loss for Gallant Venture.*

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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 almost 7,900 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\$17 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.