



1H2016 Results Announcement

August 2, 2016

© Sembcorp Industries 2016

Scope of Presentation



- CEO's Report
- Financial Review
- Group Outlook

© Sembcorp Industries 2016

CEO's Report

Tang Kin Fei

Group President & CEO

© Sembcorp Industries 2016

1H2016 Performance Round-up

Turnover at S\$3.7 billion, down 21%

Profit from Operations at S\$445.5 million, down 28%

Net Profit at S\$193.5 million, down 47%

EPS at 9.7 cents

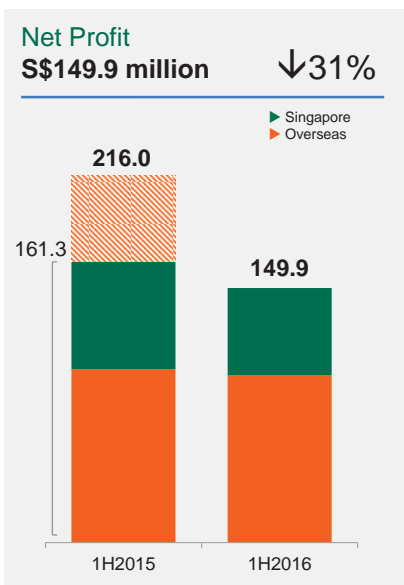
ROE (annualised) at 6.1%

Interim dividend of 4.0 cents per ordinary share declared, to be paid on August 31, 2016



Sembcorp Green Infra's wind power assets in Madhya Pradesh, India

Building the foundation for long-term growth



▨ The significant item in 1H2015 refers to the divestment gain from the sale of Sembcorp Bournemouth Water Investment.

Highlights

Performance update

- 1H2016 net profit down 31%. Excluding the divestment gain in 1H2015, net profit would be down 7%
- Net profit from overseas operations at S\$113.0 million, up 2%, despite divestment of Sembcorp Bournemouth Water and SembSITA Pacific in 2015

Progress on overseas projects

- **India (Renewables):** additional 104 megawatts (MW) in operation. Now 752MW of wind & solar assets operational
- **India (Thermal):** TPCIL commenced supply of power under 570MW long-term power purchase agreement (PPA) to Telangana from end-March 2016
- **Myanmar:** signed 22-year PPA with Myanma Electric Power Enterprise (MEPE) for the 225MW Myingyan power plant. Construction of the power plant has commenced

India Thermal Power Business Update



	Thermal Powertech Corporation India Ltd (TPCIL)	Sembcorp Gayatri Power Ltd (SGPL)
Capacity	Unit 1: 660MW (In operation since Mar 2015) Unit 2: 660MW (In operation since Sep 2015)	Unit 3: 660MW (COD: 3Q2016) Unit 4: 660MW (COD: 4Q2016)
Operations	Average PLF Generation 1Q16 83% 2,391 million units 2Q16 69% 1,991 million units (due to Unit 2 shutdown)	Under construction
Power Sales	86% of net capacity (1,070MW) contracted under two long-term PPAs. Supply of power commenced.	L2 Bidder for 500MW long-term PPA with Andhra Pradesh → Delay in conclusion. Potential delay in commencement of PPA to Jan 2018



Short-term PPAs secured

- 1-year contract with Telangana (300MW); supply until May 2017
- 1-year contract as alternate supplier (88MW); supply until May 2017

In Summary		
Unit 1 & 2	Unit 3	Unit 4
In operation. Underpinned by long-term contracts	COD: 3Q2016. Exposure to short-term market volatility (until long-term PPA is secured and commences)	COD: 4Q2016. Strategy depends on contracts secured and market dynamics

Actively securing power contracts
Remaining capacity subject to short-term market volatility

COD: commercial operation date; MW: megawatts; PLF: plant load factor; PPA: power purchase agreement
© Sembcorp Industries 2016

India Thermal Power Business Update

India Power Market Dynamics



In the short-term...

Energy Demand

Lower than expected energy demand

- Actual energy demand grew 11% against projected growth of 16%¹ for the period FY13-14 to FY15-16
- Discoms preferring to shed load due to poor financial health

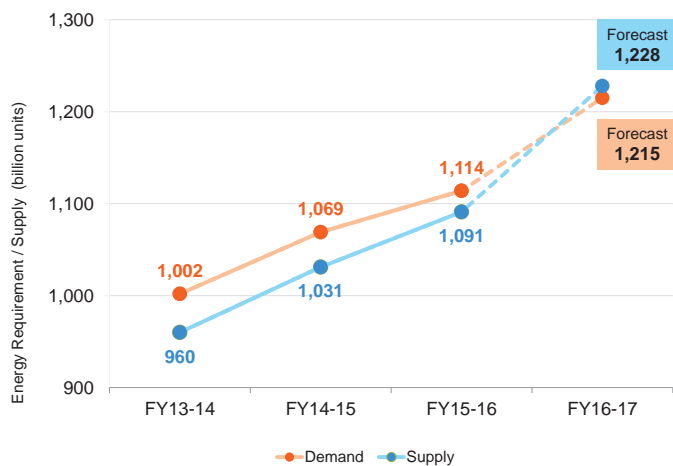
Energy Supply

Higher than expected energy supply

- Domestic coal production higher than expected
- Proactive government intervention leading to better transmission connectivity etc.

Now CEA projecting 1.1% surplus in FY16-17

Annual Energy Demand and Supply – All India



Source: Load Generation Balance Report 2016-17 by CEA

Low IEX (spot) tariffs
Limited availability of long-term PPAs

India Thermal Power Business Update

India Power Market Dynamics

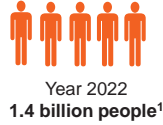


...but medium to long-term fundamentals intact

Demand drivers

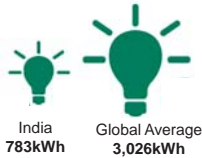
Population growth

India to surpass China to become the most populous nation by 2022¹



Low per capita power consumption

India's consumption at 783kWh, less than the global average of 3,026kWh²



Growing manufacturing output

Make in India initiative

A major national programme designed to transform India into a global manufacturing hub³



Power sector reform

Government progressing on initiatives to provide reliable power for all

24x7 Power for All by 2022

Power Minister confident of achieving target by 2019

Increasing Electrification

Target to electrify remaining 18,452 un-electrified villages by May 2018

Restructuring of Discoms

UDAY scheme: financial turnaround and revival package for discoms

- 14 states have signed
- 8 states have agreed to join the scheme

From 2018, 3 out of 4 of Sembcorp's thermal power units underpinned by long-term PPAs
Remaining unit allows flexibility to optimise returns

¹ United Nations, *World Population Prospects: The 2015 Revision*

² International Energy Agency, *2015 Key World Energy Statistics*

³ *Make in India* website (www.makeinindia.com/about)

discoms: distribution companies; kWh: kilowatt hour; PPA: power purchase agreement

Marine

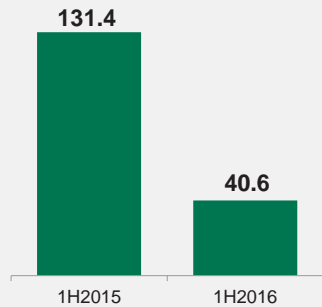


Sembcorp Marine Tuas Boulevard Yard, Singapore

Challenging macro environment

Net Profit*
S\$40.6 million ↓69%

- Lower contribution from rig building projects, higher finance costs and share of losses from associates

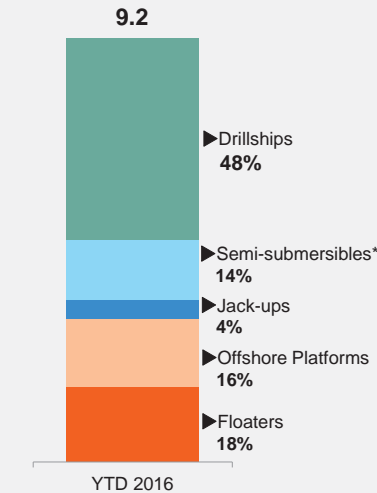


*Sembcorp's share of Marine's net profit

© Sembcorp Industries 2016

Net Orderbook
S\$9.2 billion

- Excluding the Sete Brasil drillships, net orderbook at S\$6.0 billion



*Includes drilling, well intervention and crane units

Highlights

Focusing on technology solutions

Diversifying product capabilities

Gravifloat AS

Increased stake to 56%

Gravifloat designs and holds patents for a suite of re-deployable, modularised solutions based on its unique near-shore, gravity-based floating LNG terminal solutions

KANFA Aragon AS

Acquired a 50% equity stake

Aragon is a process design and engineering company providing solutions and services to the offshore oil & gas industry with a main focus on the worldwide FPSO market

1H2016 project deliveries

Safe Zephyrus for Prosafe
 Accommodation semi-submersible vessel

FPSO *Prof. John Evans Atta Mills* for Ghana TEN
 FPSO conversion

Maersk Highlander for Maersk
 High specification jack-up rig

Ivar Aasen process, drilling and quarters topsides for Det norske oljeselskap ASA
 Offshore platform topsides

Delivered in July 2016:
 World's largest jack-up, *Noble Lloyd Noble* for Noble Corporation
 Ultra high-specification jack-up rig



▲ Ivar Aasen process, drilling and quarters topsides sailed away in early June for the Norwegian North Sea

World's largest jack-up *Noble Lloyd Noble* delivered in July 2016. The ultra high-specification harsh environment jack-up rig is based on the GustoMSC CJ70 design as well as Statoil's 'Category J' specifications





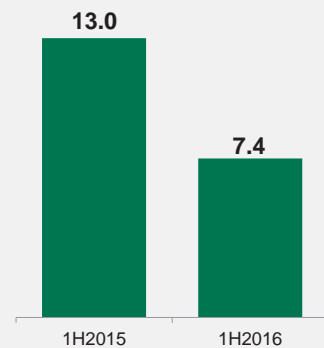
Vietnam Singapore Industrial Park, Hai Phong

Urban Development

Better Vietnam performance, but China weak

Net Profit
S\$7.4 million ↓43%

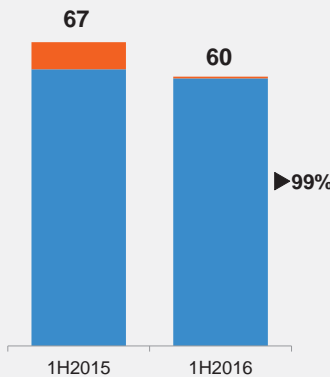
- Performance impacted by deferred land sales in Nanjing and higher costs



Land Sales
60 hectares

- Vietnam industrial land sales remain strong
- Land sales continue in Chengdu but deferred in Nanjing

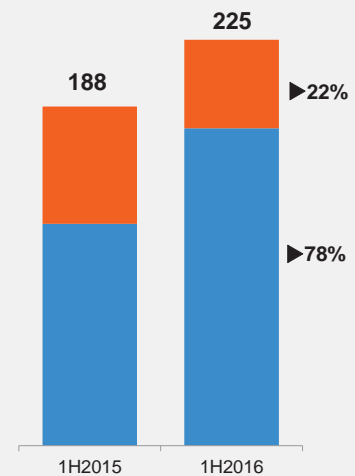
▶ Commercial & Residential
 ▶ Industrial & Business



Net Orderbook
225 hectares

- Healthy orderbook for Vietnam

▶ Commercial & Residential
 ▶ Industrial & Business



Urban Development

Nanjing International Water Hub (NIWH)

A centre of excellence to facilitate the development and commercialisation of new water technologies

*Groundbreaking in March 2016
To be completed in 2018*



Water research institutes from Nanjing Tech University and Nanjing University to establish presence at NIWH, joining the National University of Singapore's (NUS) Centre for Water Research and Singapore's national water agency PUB



Financial Review

Koh Chiap Khiong
Group CFO

Group Profit & Loss



(S\$M)	1H16	1H15	Δ%
Turnover	3,742	4,726	(21)
EBITDA*	600	715	(16)
Profit from Operations	446	618	(28)
EBIT	372	519	(28)
Share of results: Associates & JVs	74	99	(25)
Net Finance Cost	(162)	(76)	(114)
Finance costs	(178)	(88)	(102)
Finance income	16	12	31
PBT	284	542	(48)
Tax	(58)	(81)	29
Non-Controlling Interests	(33)	(95)	51
Net Profit	193	366	(47)
EPS (cents)	9.7	20.0	(51)

* EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs.

Group Turnover



(S\$M)	1H16	1H15	Δ%
Utilities	1,790	2,082	(14)
Marine	1,826	2,511	(27)
Urban Development*	3	3	17
Other Businesses	123	130	(6)
TOTAL TURNOVER	3,742	4,726	(21)

* Urban Development businesses comprise mainly associates or joint ventures which are accounted for under the equity method. The turnover reflected was derived from providing services to these associates or joint ventures.

Group Profit from Operations (PFO)



(S\$M)	1H16	1H15	Δ%
Utilities	316.9	310.4	2
Marine	124.1	286.9	(57)
Urban Development	9.7	15.4	(37)
Other Businesses	11.9	15.1	(21)
Corporate*	(17.1)	(9.7)	(77)
TOTAL PFO	445.5	618.1	(28)

*Includes a fair value loss of S\$5.8 million due to the decline in the share price of Gallant Venture, which is classified as an available-for-sale financial asset. Excluding this, Corporate costs in 1H16 would have been S\$11.3 million.

Group Net Profit



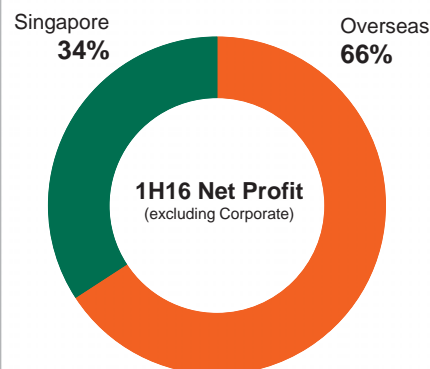
(S\$M)	1H16	1H15	Δ%
Utilities	149.9	216.0	(31)
Marine	40.6	131.4	(69)
Urban Development	7.4	13.0	(43)
Other Businesses	12.8	19.1	(33)
Corporate*	(17.2)	(13.7)	(25)
TOTAL NET PROFIT	193.5	365.8	(47)

*Includes a fair value loss of S\$5.8 million due to the decline in the share price of Gallant Venture, which is classified as an available-for-sale financial asset. Excluding this, Corporate costs in 1H16 would have been S\$11.4 million.

Utilities Net Profit



By Geography (\$M)	1H16	1H15	Δ%
Singapore*	58.6	69.0	(15)
China	51.3	45.0	14
India	2.8	(6.8)	NM
Rest of Asia**	10.9	27.4	(60)
Middle East & Africa	27.9	22.6	24
UK & the Americas**	20.1	22.5	(11)
Corporate	(21.7)	(18.4)	(18)
Net Profit before significant item	149.9	161.3	(7)
Significant item***	-	54.7	NM
TOTAL NET PROFIT	149.9	216.0	(31)



* Singapore: Net Profit breakdown	1H16	1H15	Δ%
Energy	19.6	25.8	(24)
Water	13.9	19.5	(29)
On-site Logistics & Solid Waste Management	25.1	23.7	6

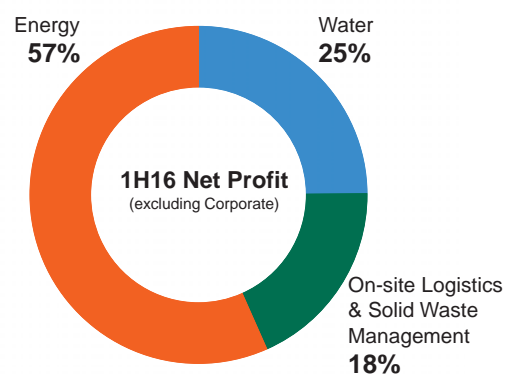
** 1H2015 net profit included S\$12.4 million contribution from SembSITA Pacific (SembSITA) and S\$2.9 million from Sembcorp Bournemouth Water Investment (SBWI). SBWI and SembSITA were divested in April and November 2015 respectively

*** Divestment gain from the sale of SBWI

Utilities Net Profit



By Product Segment (\$M)	1H16	1H15	Δ%
Energy	97.2	94.0	3
Water	42.7	42.2	1
On-site Logistics & Solid Waste Management	31.7	43.5	(27)
Corporate	(21.7)	(18.4)	(18)
Net Profit before significant item	149.9	161.3	(7)
Significant item*	-	54.7	NM
TOTAL NET PROFIT	149.9	216.0	(31)



* Refer to slide 21 footnote

Group Capex and Equity Investment



(S\$M) 1H16 1H15

Capital Expenditure

- Utilities	230.9	304.8
- Marine	186.1	419.7
- Urban Development / Other Businesses	4.5	4.5
	421.5	729.0

Equity Investment

- Utilities	72.6	356.1
- Marine	54.1	-
- Urban Development	6.4	-
	133.1	356.1

Group Free Cash Flow



(S\$M) 1H16 1H15

CASH FLOW FROM OPERATING ACTIVITIES

- before changes in working capital	589	687
- changes in working capital	(299)	(876)
- tax paid	(46)	(72)
	244	(261)

CASH FLOW FROM INVESTING ACTIVITIES

- divestments, dividend and interest income	58	231
- investments, capex and non-trade balances*	(536)	(1,072)
	(478)	(841)

- Add back: expansion capex	497	923
-----------------------------	-----	-----

FREE CASH FLOW	263	(179)
-----------------------	------------	--------------

* Payables for capital works / fixed assets

Group Borrowings



(\$M)	Jun 30,16	D/C ratio*	Dec 31,15	D/C ratio*
Gross Debt				
Corporate debt	1,153	0.07	1,197	0.08
Project finance debt	3,393	0.21	2,256	0.15
Sembcorp Marine debt	3,981	0.24	3,380	0.23
	8,527	0.52	6,833	0.46
Less: Cash and cash equivalents	(1,683)		(1,606)	
Net debt	6,844	0.41	5,227	0.35

*Total Debt-to-Capitalisation ratio

Financial Indicators



	1H16	1H15	FY15
EPS (cents)	19.5*	40.0*	29.2
ROE (%)	6.1*	12.5*	9.4
ROTA (%)	3.9*	6.1*	3.7
Interest Cover (times)	3.4	8.1	7.2
Per Share			
NAV (S\$)	3.57	3.61	3.60

* Annualised

Utilities

The Singapore utilities business continues to face intense competition in the power market.

In India, the SGPL power plant will be completed by the end of the year. SGPL is working to secure long-term power purchase agreements. TPCIL will see a full year's contribution underpinned by secured long-term contracts.

Meanwhile, Utilities' operations in China are expected to deliver a steady performance.

Marine

The global oil and gas industry remains subdued and uncertain. Sembcorp Marine remains focused on delivering from its order backlog with net orders totaling S\$9.2 billion as at end-June 2016. The business' recent significant and successful project deliveries have improved cash flow. During these challenging times, the Marine business will continue to focus on costs, liquidity and balance sheet management.

Sembcorp Marine's strategic investments in infrastructure and technology over the years have enhanced its resilience to navigate through these tough times. The business has gone through several down-cycles in the past and have built up a strong core that will enable it to weather the elements during this difficult period.

Urban Development

The Urban Development business is expected to deliver a steady operating performance in 2016.

Group

The current market environment remains challenging. With our strategic presence in key emerging markets and strong capabilities, the Group is confident that it will continue to create and deliver long-term value and growth.



Vital Partners. Essential Solutions.

Disclaimer

This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although Sembcorp Industries believes that these expectations, projections and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Sembcorp Industries and its business operations, such as (without limitation) the general economic and business conditions in Singapore, the Asia-Pacific region and elsewhere; currency fluctuations between the Singapore dollar and other currencies; governmental, statutory, regulatory or administrative initiative affecting our business; industry trends; future levels and composition of our assets and liabilities; future profitability of our operations; competition; changes in Singapore tax or similar laws or regulations; changes in, or the failure to comply with, governmental regulations, including exchange control regulations, if any.

You are advised not to place undue reliance on these forward-looking statements as the forward-looking events referred to in this presentation may differ materially or not occur due to these risks, uncertainties and assumptions.

Investors should assume that the information in this presentation is accurate only as of the date it is issued. Sembcorp Industries has no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Appendix

© Sembcorp Industries 2016

Group Profit & Loss

(\$M)	2Q16	2Q15	Δ%
Turnover	1,846	2,388	(23)
EBITDA*	286	410	(30)
Profit from Operations	208	364	(43)
EBIT	170	306	(44)
Share of results: Associates & JVs	38	58	(35)
Net Finance Cost	(85)	(50)	(70)
Finance costs	(91)	(56)	(62)
Finance income	6	6	(3)
PBT	123	314	(61)
Tax	(28)	(41)	32
Non-Controlling Interests	(9)	(49)	82
Net Profit	86	224	(61)
EPS (cents)	4.3	12.2	(65)

*EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs.

Group Turnover



(S\$M)	2Q16	2Q15	Δ%
Utilities	895	1,124	(20)
Marine	908	1,207	(25)
Urban Development*	1	2	(23)
Other Businesses	42	55	(23)
TOTAL TURNOVER	1,846	2,388	(23)

* Urban Development businesses comprise mainly associates or joint ventures which are accounted for under the equity method. The turnover reflected was derived from providing services to these associates or joint ventures.

Group Profit from Operations (PFO)



(S\$M)	2Q16	2Q15	Δ%
Utilities	162.2	203.4	(20)
Marine	40.4	144.7	(72)
Urban Development	7.4	13.3	(44)
Other Businesses	3.0	7.0	(57)
Corporate	(5.0)	(4.1)	(22)
TOTAL PFO	208.0	364.3	(43)

Group Net Profit



(S\$M)	2Q16	2Q15	Δ%
Utilities	74.6	141.5	(47)
Marine	7.1	66.7	(89)
Urban Development	6.2	11.9	(48)
Other Businesses	3.7	9.3	(61)
Corporate	(5.1)	(5.8)	12
TOTAL NET PROFIT	86.5	223.6	(61)

Utilities Turnover



By Geography (S\$M)	1H16	1H15	Δ%
Singapore	1,089.4	1,640.7	(34)
China	79.1	76.8	3
India	421.7	117.1	260
Rest of Asia	-	-	-
Middle East & Africa	47.3	51.8	(9)
UK & the Americas	161.6	210.2	(23)
Corporate	0.6	-	NM
TOTAL TURNOVER	1,799.7	2,096.6	(14)

	2Q16	2Q15	Δ%
Singapore	555.2	868.3	(36)
China	39.9	38.8	3
India	208.6	104.6	99
Rest of Asia	-	-	-
Middle East & Africa	22.6	26.4	(15)
UK & the Americas	72.6	93.7	(23)
Corporate	0.6	-	NM
TOTAL TURNOVER	899.5	1,131.8	(21)

Note: Figures are stated before intercompany eliminations

Utilities Profit From Operations (PFO)



By Geography (\$M)	1H16	1H15	Δ%
Singapore	88.8	104.2	(15)
China	57.9	51.1	13
India	121.4	31.0	292
Rest of Asia*	10.9	27.4	(60)
Middle East & Africa	29.9	24.7	21
UK & the Americas*	22.3	29.6	(25)
Corporate	(14.3)	(12.3)	(16)
PFO before significant item	316.9	255.7	24
Significant item	-	54.7	NM
TOTAL PFO	316.9	310.4	2
	2Q16	2Q15	Δ%
Singapore	43.3	54.8	(21)
China	29.6	28.7	3
India	68.0	27.9	144
Rest of Asia**	5.2	13.8	(62)
Middle East & Africa	16.5	14.9	11
UK & the Americas	6.4	15.5	(59)
Corporate	(6.8)	(6.9)	1
PFO before significant item	162.2	148.7	9
Significant item	-	54.7	NM
TOTAL PFO	162.2	203.4	(20)

*1H2015 PFO included S\$12.4 million contribution from SembSITA Pacific (SembSITA) and S\$6.3 million from Sembcorp Bournemouth Water Investment (SBWI). SBWI and SembSITA were divested in April and November 2015 respectively.
 **2Q2015 PFO included S\$6.3 million contribution from SembSITA.

37

Utilities Net Profit



By Geography (\$M)	1H16	1H15	Δ%
Singapore	58.6	69.0	(15)
China	51.3	45.0	14
India	2.8	(6.8)	NM
Rest of Asia*	10.9	27.4	(60)
Middle East & Africa	27.9	22.6	24
UK & the Americas*	20.1	22.5	(11)
Corporate	(21.7)	(18.4)	(18)
Net Profit before significant item	149.9	161.3	(7)
Significant item	-	54.7	NM
TOTAL NET PROFIT	149.9	216.0	(31)
	2Q16	2Q15	Δ%
Singapore	28.8	36.4	(21)
China	25.7	25.0	3
India	4.0	(5.2)	NM
Rest of Asia**	5.2	13.8	(62)
Middle East & Africa	15.5	13.9	12
UK & the Americas	6.3	13.1	(52)
Corporate	(10.9)	(10.2)	(7)
Net Profit before significant item	74.6	86.8	(14)
Significant item	-	54.7	NM
TOTAL NET PROFIT	74.6	141.5	(47)

*1H2015 net profit included S\$12.4 million contribution from SembSITA Pacific (SembSITA) and S\$2.9 million from Sembcorp Bournemouth Water Investment (SBWI). SBWI and SembSITA were divested in April and November 2015 respectively.
 **2Q2015 net profit included S\$6.3 million contribution from SembSITA.

38

Utilities Turnover



By Product Segment (\$M)	1H16	1H15	Δ%
Energy	1,474.4	1,711.7	(14)
Water	161.8	210.9	(23)
On-site Logistics & Solid Waste Management	162.9	174.0	(6)
Corporate	0.6	-	NM
TOTAL TURNOVER	1,799.7	2,096.6	(14)

	2Q16	2Q15	Δ%
Energy	737.3	946.6	(22)
Water	80.7	95.8	(16)
On-site Logistics & Solid Waste Management	80.9	89.4	(10)
Corporate	0.6	-	NM
TOTAL TURNOVER	899.5	1,131.8	(21)

Note: Figures are stated before intercompany eliminations

Utilities Profit from Operations (PFO)



By Product Segment (\$M)	1H16	1H15	Δ%
Energy	236.7	154.0	54
Water	56.1	61.0	(8)
On-site Logistics & Solid Waste Management	38.4	53.0	(28)
Corporate	(14.3)	(12.3)	(16)
PFO before significant item	316.9	255.7	24
Significant item	-	54.7	NM
TOTAL PFO	316.9	310.4	2

	2Q16	2Q15	Δ%
Energy	122.7	98.9	24
Water	28.5	27.1	5
On-site Logistics & Solid Waste Management	17.8	29.6	(40)
Corporate	(6.8)	(6.9)	1
PFO before significant item	162.2	148.7	9
Significant item	-	54.7	NM
TOTAL PFO	162.2	203.4	(20)

Utilities Net Profit



By Product Segment (\$M)	1H16	1H15	Δ%
Energy	97.2	94.0	3
Water	42.7	42.2	1
On-site Logistics & Solid Waste Management	31.7	43.5	(27)
Corporate	(21.7)	(18.4)	(18)
Net Profit before significant item	149.9	161.3	(7)
Significant item	-	54.7	NM
TOTAL NET PROFIT	149.9	216.0	(31)
	2Q16	2Q15	Δ%
Energy	49.2	53.7	(8)
Water	21.6	19.1	13
On-site Logistics & Solid Waste Management	14.7	24.2	(39)
Corporate	(10.9)	(10.2)	(7)
Net Profit before significant item	74.6	86.8	(14)
Significant item	-	54.7	NM
TOTAL NET PROFIT	74.6	141.5	(47)