



Company Registration Number: 196300098Z

PRESS RELEASE

9M 2015 NET PROFIT AT \$247 MILLION, 3Q NET PROFIT OF \$32 MILLION

Key highlights:

For the nine months to September 2015,

- Revenue totalled \$3.6 billion, down 17% from 9M 2014's \$4.4 billion.
- Gross Profit was \$459 million, down 19% from 9M 2014's \$569 million.
- Net Profit was \$247 million, down 36% year-on-year from \$386 million in 9M 2014. Excluding non-operating items, 9M 2015 net profit would have been \$264 million.
- 3Q2015 Net Profit of \$32 million against 3Q2014 Net Profit of \$132 million. Excluding non-operating items, Net Profit for 3Q 2015 would have been \$49 million.
- Return on equity (ROE annualised) of 11.1%, ROE was 11.8% excluding non-operating items.
- The Group has secured \$2.9 billion in new contracts to date, bringing total net order backlog to \$11.6 billion as at 22 October 2015.

Singapore, October 22, 2015: Sembcorp Marine posted a 17% year-on-year decline in group revenue from \$4.4 billion to \$3.6 billion for the nine months to September 2015 due to lower revenue recognition for rig building projects and ship repair.

For the nine months to September 2015, Gross Profit declined 19% year-on-year from \$569 million to \$459 million, while EBITDA was down 19% from \$558 million to \$454 million, mainly due to lower contributions from rig building projects and repair business. Contributions from offshore platform projects were higher.

The Group also recorded \$23 million in losses from its share of results from associates and joint ventures for the nine month period (profit of \$17 million previously). A further \$17 million one-off, non-operating impairment related to available-for-sale financial assets was made in 3Q 2015, which also impacted the 9M 2015 period.

Group Net profit of \$247 million for the nine months ended September 2015 was 36% lower than the \$386 million earned in the previous corresponding period. The lower net profit was due to lower contributions from rig building projects, associate losses and impairment. However, contributions from the offshore platform projects were higher. Excluding the non-operating impairment, 9M 2015 net profit would have been \$264 million.

Turnover for Rigs & Floaters was \$2.5 billion for the nine months to September 2015, a 21% decline from the \$3.1 billion booked in the previous corresponding period. The Group delivered three rigs in the nine months, compared with six rigs in the previous corresponding period.

Offshore Platforms revenue decreased 4% year on year from \$755 million to \$722 million. Despite an increase in the number of ships repaired, Repairs & Upgrades revenue declined 15% year on year from \$465 million to \$397 million due to lower average revenue per vessel.

Financial Highlights

Period (\$'m)	3Q 2015	3Q 2014	% change	9M 2015	9M 2014	% change
Turnover	1,130	1,712	(34)	3,641	4,388	(17)
Gross Profit	91	205	(56)	459	569	(19)
EBITDA	107	200	(47)	454	558	(19)
Operating Profit	75	171	(56)	360	475	(24)
Pretax Profit	23	171	(87)	294	489	(40)
Net Profit	32	132	(76)	247	386	(36)
Net Profit (excluding non-operating items)	49	132	(63)	264	386	(32)
EPS (basic) (cts)	1.54	6.32	(76)	11.84	18.49	(36)
NAV (cts) *				143.4	141.9	
* NAV as at September 30th, 2015						

3Q 2015 VERSUS 3Q 2014

On a quarterly basis, Group turnover for 3Q 2015 was \$1.1 billion, 34% lower compared with \$1.7 billion previously mainly due to the reduction of rig deliveries in the quarter as well as lower ship repair revenue. Contributions from Offshore Platforms were higher.

Some of the Group's jack-up rig customers have requested for delivery deferment of their rigs which has resulted in the suspension of revenue recognition for several rig building contracts. Customer's restructuring has also contributed to the lower revenue recognition.

Group Gross Profit decreased 56% year-on-year to \$91 million mainly due to lower contributions from rig building projects and repair. Customer deferment requests have resulted in lower margin recognition for rig building projects. However, contribution from offshore platforms projects was higher.

Group Pre-tax Profit came to \$23 million, impacted by \$24 million in losses from its share of results from associates and joint ventures and higher finance expenses as well as \$17 million in impairment on available-for-sale financial assets.

The 3Q 2015 Net Profit of \$32 million compares with \$132 million net profit in 3Q 2014, largely due to lower contributions from rig building, losses from associates, higher interest expense and non-operating items (mainly impairment charge).

BALANCE SHEET

Interest-bearing borrowings increased mainly due to borrowings for working capital and capital expenditure. The Group has secured adequate committed long-term banking facilities to refinance the short-term borrowings as they fall due. Cash and cash equivalent decreased mainly due to capital expenditures, dividends paid and working capital changes for ongoing projects.

OUTLOOK

Low oil prices and the oversupply situation in the global offshore exploration segment continues to weigh on offshore rig utilisation and charter rates, leading to the lack of new charter contracts and the cancellation of existing charters.

As stated in our 1H 2015 outlook, some of our customers are deferring or are seeking to defer the delivery of their ordered rigs. These deferrals have now resulted in a delay in earnings recognition from these projects. Brazil's oil and gas industry continues to remain fraught in uncertainty.

The group faces many challenges ahead and we will continue to actively manage our balance sheet to maintain a healthy financial position.

Despite the depressed market, the group has secured \$2.9 billion in new contracts year-to-date for the offshore production market segments bringing our net total order book to \$11.6 billion.

On July 1, 2015, we reached a key milestone in our Transformation efforts as our various business units were integrated under one brand focussing on four key capabilities, namely, Rigs & Floaters; Repairs & Upgrades; Offshore Platforms; and Specialised Shipbuilding. As an integrated Sembcorp Marine, we will optimise our capabilities and capacities, as well as increase our efficiency and productivity to better serve our partners and customers.

While the immediate operating environment in the offshore rig building industry remains very challenging, Sembcorp Marine remains focussed on the timely and effective execution of its current order book and efficient working capital management. We are confident of the long term fundamentals of the offshore and marine industry and believe our investments in new capabilities and facilities will help ensure sustainable returns for the Group, both in Singapore and at our overseas yards.

For more information, please contact:

Analysts' queries:

Ms Lisa Lee
Head of Investor Relations
Tel No: (65) 6262 7107
Email: lisa.lee@sembmarine.com

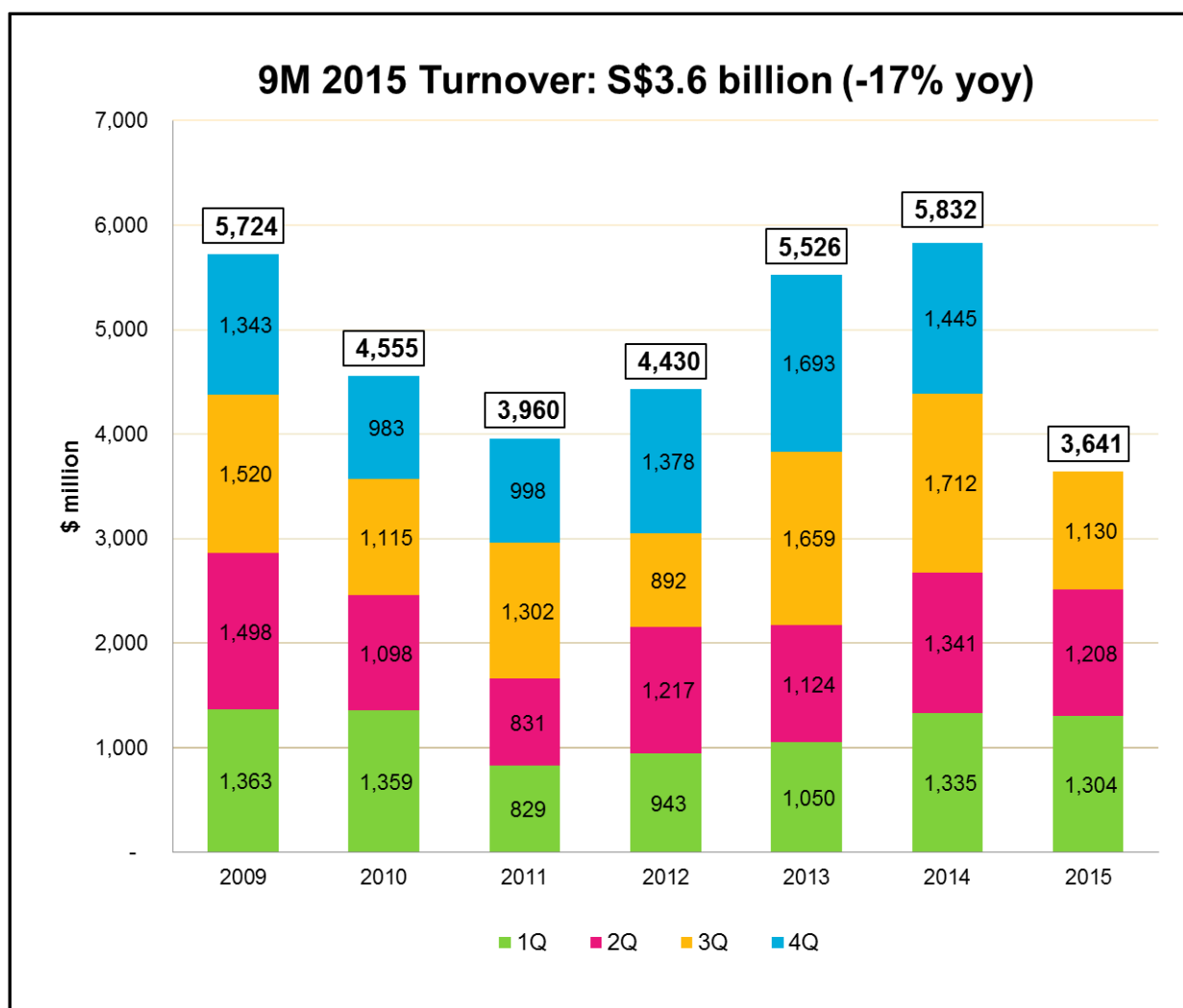
Media queries:

Mr David Wong
Head of Corporate Communications
Tel No: (65) 6262 8036
Email: david.wong@sembmarine.com

For more details please refer to our website: www.sembmarine.com

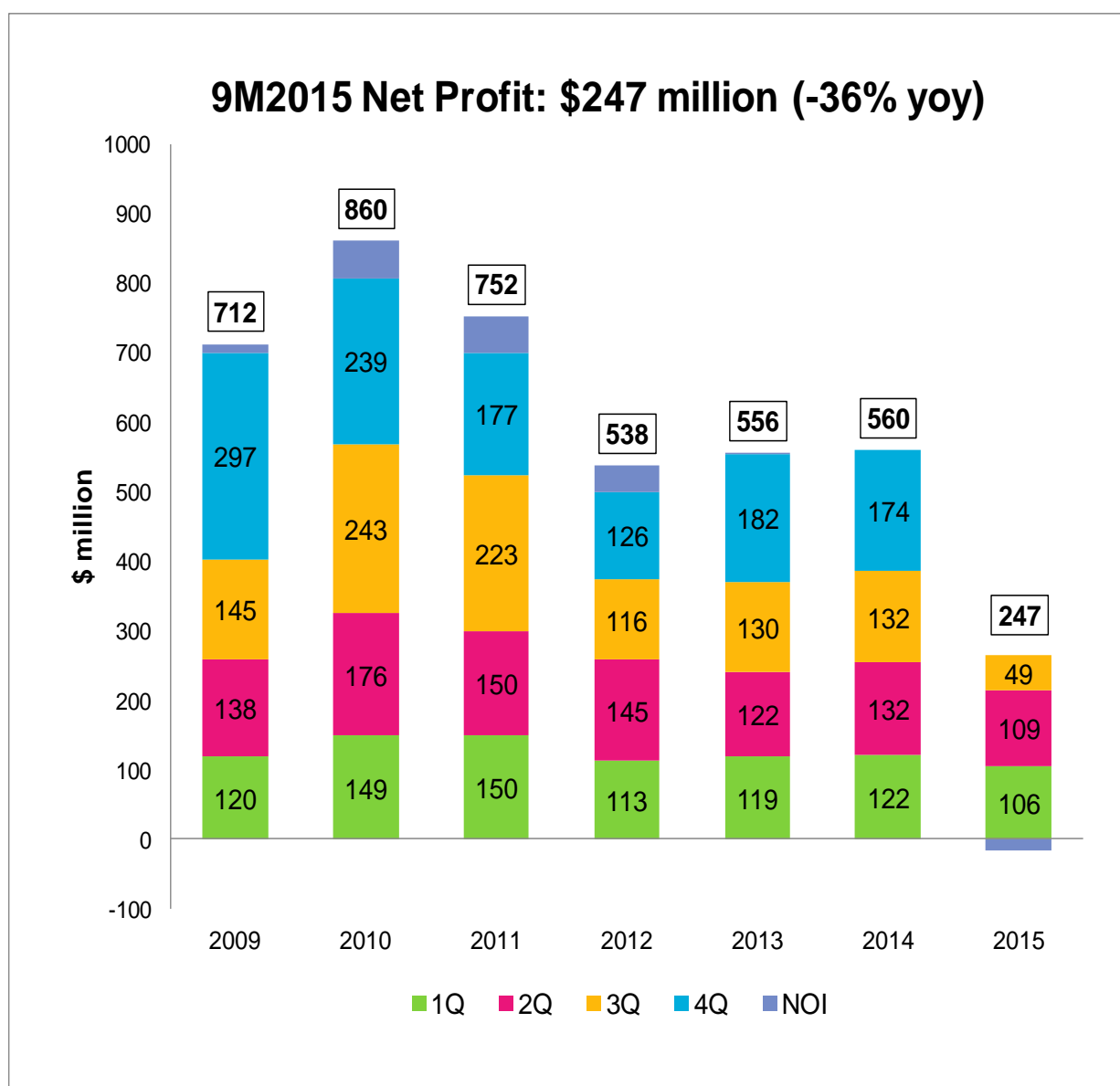
Appendix

QUARTERLY TURNOVER (2009 TO 9M 2015)



- Group turnover declined 17% year-on-year to \$3,641 million in 9M 2015 from \$4,388 million in 9M 2014.
- Lower revenue recognition from rig building projects.
- Lower average revenue per vessel repaired.
- Higher revenue recognition for offshore and conversion projects.

QUARTERLY NET PROFIT (2009 TO 9M 2015)



- Net profit declined 36% from \$386 million in 9M 2014 to \$247 million for the corresponding period in 2015. 9M 2015 net profit would have been \$264 million, excluding the non-operating items.

CASHFLOW

Group (\$ million)	9M 2015	9M 2014	% change
Cashflow from operations before working capital changes	501	563	(11)
Net cash outflow from operating activities	(408)	(144)	n.m.
Net cash outflow from investing activities	(726)	(553)	31
Net cash inflow from financing activities	875	570	54
Cash & cash equivalents	827	1,558	(47)
Borrowings	2,849	1,648	73
Net Debt	2,022	90	n.m.
<i>Progress Billing > WIP</i>	657	1,206	(46)

Note: n.m : not meaningful

- Net debt rose to \$2 billion, or a net debt to equity ratio of 0.66x.
- Progress billings, mostly work in progress, stand at \$657 million.

CAPITAL, GEARING AND ROE

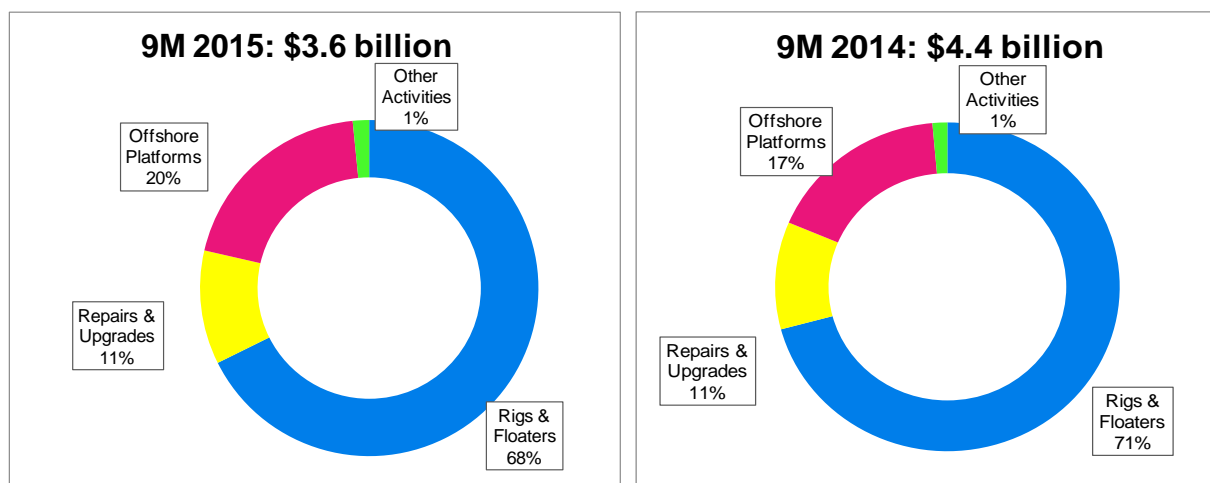
Group (\$ million)	Sep-15	Sep-14	% change	Dec-14	% change
Shareholders' Funds	2,995	2,782	8	2,965	1
Net Debt	2,022	90	n.m.	662	n.m.
Net Working Capital	1,289	1,046	23	1,119	15
Return on Equity (ROE) - annualised (%)	11.1	18.9	(41)	19.9	(44)
ROE - <i>exclude NOI</i> - annualised (%)	11.8	18.9	(38)	19.8	(40)
Net Asset Value (cents)	143.4	133.2	8	141.9	1
Return on Total Assets (ROTA) - annualised (%)	4.5	7.4	(39)	8.0	(44)
ROTA - <i>exclude NOI</i> - annualised (%)	4.7	7.4	(36)	8.0	(41)

Note: n.m : not meaningful

- ROE annualised of 11.1% (11.8% excluding the non-operating items).

REVENUE CONTRIBUTIONS BY SECTORS (9M 2015 vs 9M 2014)

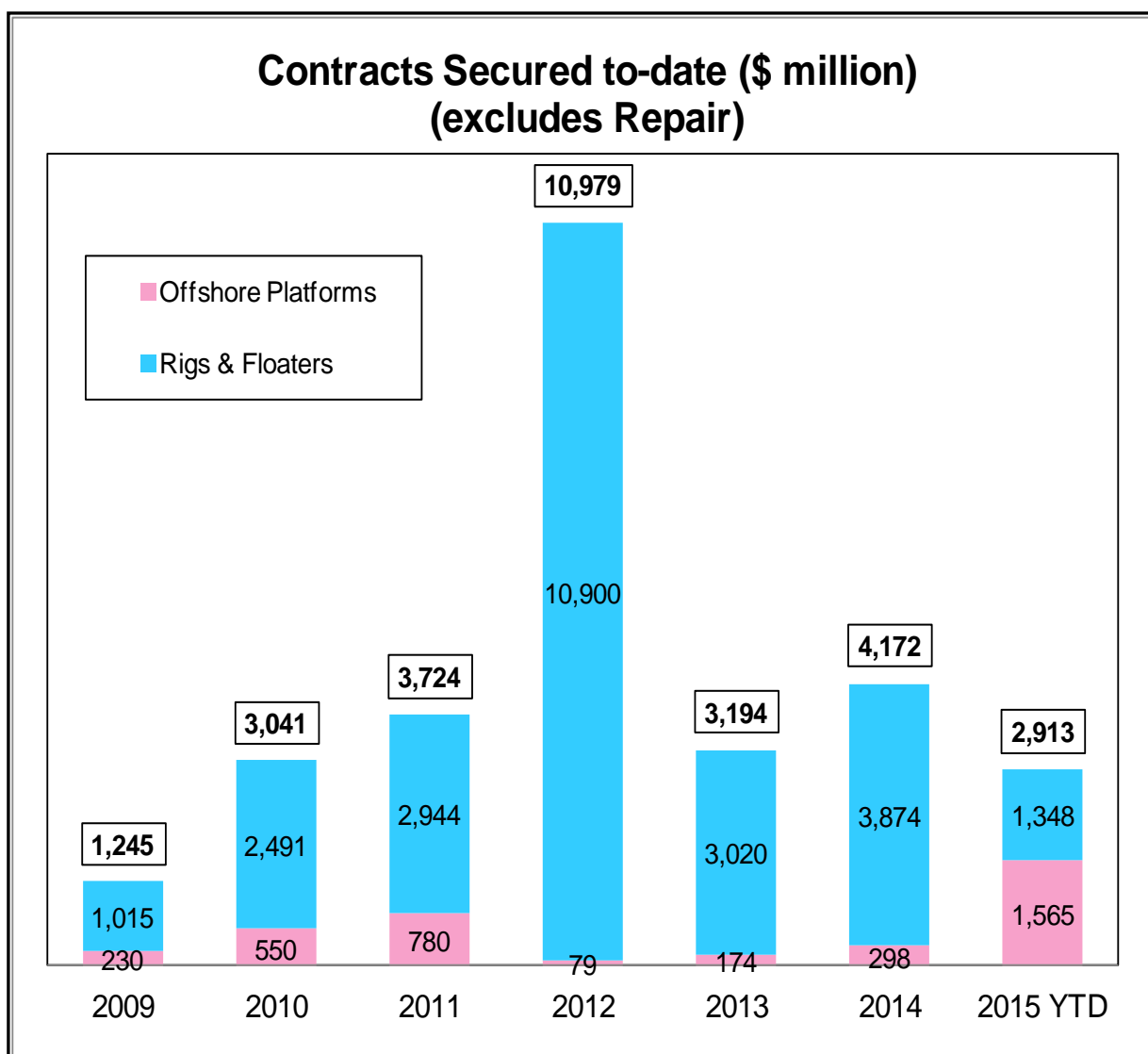
By Value & Percentage Contributions



Turnover (\$ million)	9M 2015	9M 2014	% change	3Q 2015	3Q 2014	% change
Rigs & Floaters	2,464	3,107	(21)	744	1,315	(43)
Repairs & Upgrades	397	465	(15)	131	157	(16)
Offshore Platforms	722	755	(4)	235	220	7
Other Activities	57	61	(6)	20	19	4
TOTAL	3,641	4,388	(17)	1,130	1,712	(34)

- Rigs & Floaters was the largest sector, accounting for 68% of total revenue followed by Offshore Platforms at 20%, Repair & Upgrades at 11% and others at 1%.
- 9M 2015 Rigs & Floaters revenue declined 21% to \$2.5 billion due to lower project recognition and deliveries versus the previous corresponding period.
- Offshore Platforms revenue declined 4% to \$722 million.
- Repair & Upgrades declined 15% to \$397 million.

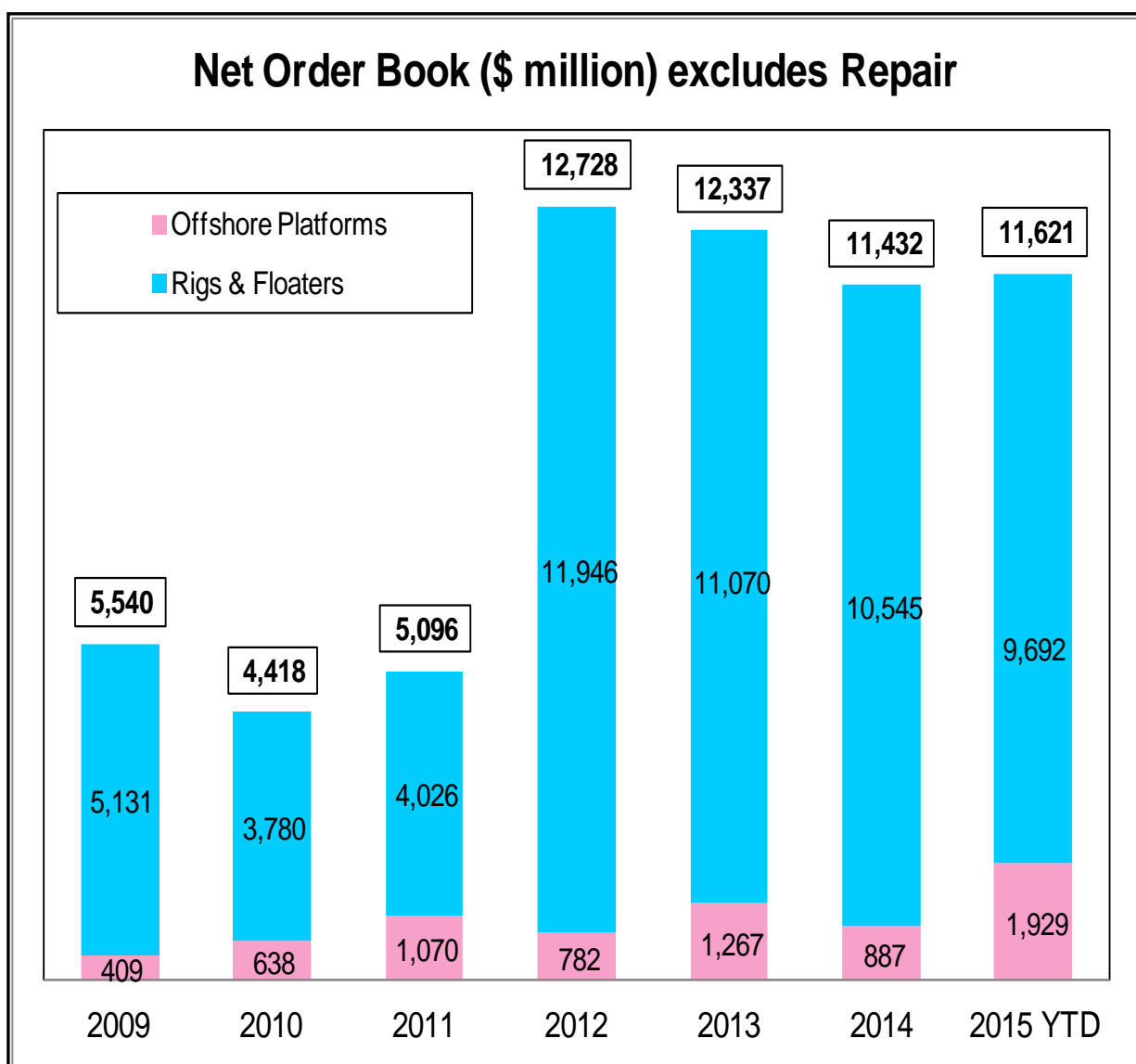
CONTRACTS SECURED BY YEAR



Contracts secured as at October 22nd 2015 stand at \$2.9 billion.

- On September 1 2015, the Group secured an Engineering, Procurement and Construction (EPC) contract worth USD One billion (including long lead items) from Maersk Oil North Sea UK Limited.
- The Group finalised the contract to design and build a new semi-submersible crane vessel for Heerema Offshore Services B.V. for approximately USD1 billion.
- The Group also secured a \$56 million FSO conversion contract with Teekay Offshore.
- The Group will continue to build up its order book.

NET ORDER BOOK



- Net order book year-to-date stands at \$11.6 billion with deliveries and completion stretching till 2020.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. The forward looking statements reflect the current views of Management on future trends and developments.