

Hyflux[®]

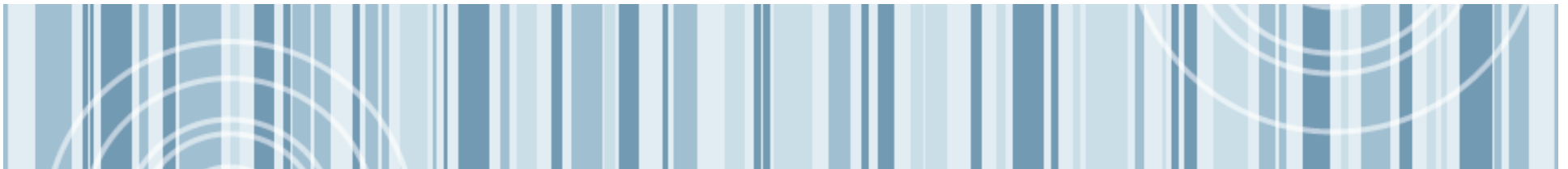
Hyflux[®]

**3Q09
RESULTS REVIEW**

Sam Ong
Group Deputy CEO & CFO

Cho Wee Peng
Group EVP & CIO

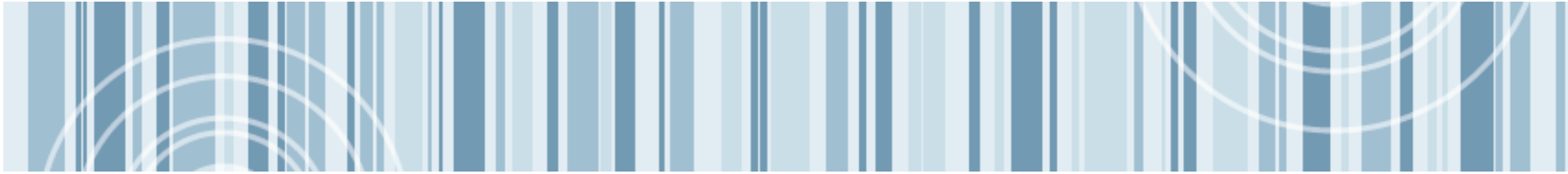
4 November 2009





Agenda

- 3Q09 & YTD Financial Results Review
- Market and Business Overview



3Q09 Financial Results

Revenue and Profits

<u>S\$ mln</u>	3Q 09	3Q 08	+/-%	YTD 09	YTD 08	+/-%
Revenue	126.5	177.4	(29%)	349.2	375.1	(7%)
PBT	19.3	23.2	(17%)	54.7	55.8	(2%)
PATMI	18.1	17.3	5%	49.1	45.6	8%

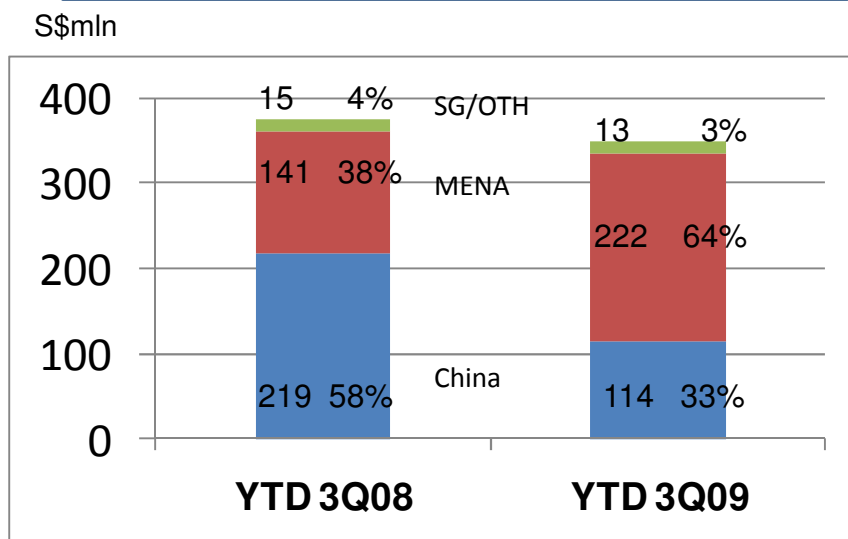
Key highlights

Decreased revenue reflects weakness in industrial and municipal sectors arising from continued weakness in the China market.

The MENA region continued to perform strongly due to the ramping up of EPC activities on the world's largest seawater RO desalination plant in Magtaa, Algeria.

Revenue Breakdown

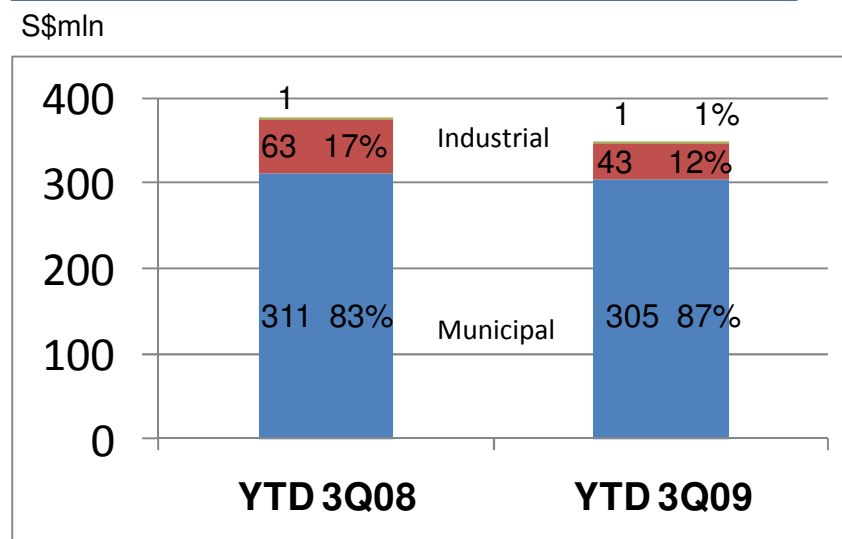
Revenue by Country



Key highlights

With progressive EPC recognition of Tlemcen and Magtaa, MENA's proportion of Group revenue has climbed to 64%, for the nine months ended 30 Sep 2009.

Revenue by Sector



Key highlights

Municipal sales continues to be key driver with execution of MENA projects in 3Q09.

Lower activities in industrial sector as a result of continued weakness in China's economic climate.

Costs and Expenses

<u>S\$ mln</u>	3Q 09	3Q 08	+/-%	YTD 09	YTD 08	+/-%
Raw Materials & Consumables	81.7	130.0	(37%)	214.1	251.4	(15%)
Staff Costs	12.6	14.4	(13%)	39.9	38.6	3%
Depreciation & Amortisation	3.0	2.5	19%	7.9	6.5	21%
Other Exp	11.4	6.8	69%	36.1	16.8	115%
Finance Cost	1.7	2.2	(25%)	6.6	6.1	9%
Total Operating & Fin Exp	110.4	155.9	(29%)	304.6	319.4	(5%)

Key highlights

Raw materials costs decreased in line with decrease in sales volume.

Finance costs increased YTD because of higher bank borrowings to fund the Group's activities. However, there was a reversal in trend as evident in 3Q due to lower interest rates.

Other expenses increased due to higher project development costs and foreign exchange differences.

Balance Sheet

<u>S\$ mln</u>	30 Sep 09	30 Jun 09	31 Dec 08
Equity	349	336	308
LT Assets	557	538	462
LT Liabilities	366	263	214
Current Liabilities	264	332	325
Net Current Assets	158	61	60
Net Gearing	0.74x	0.60x	0.54x

Key highlights

Long Term Assets increased in line with the progress of construction of water plants in China, and the additional investments in associates.

Net gearing remains stable at 0.74x.

Cash Flow

<u>S\$ mln</u>	3Q09	3Q08	YTD 09	YTD 08
CF Operations	(30)	11	(5)	18
CF Investing	(26)	(27)	(64)	(82)
CF Financing	66	13	109	34
Net Cash Changes	10	(3)	40	(30)
Cash & Equivalents	130	94	130	94

Key highlights

For 3Q09 and YTD 09, \$29.9 million and \$5.2 million of cashflow respectively was used for working capital requirements, particularly in China.

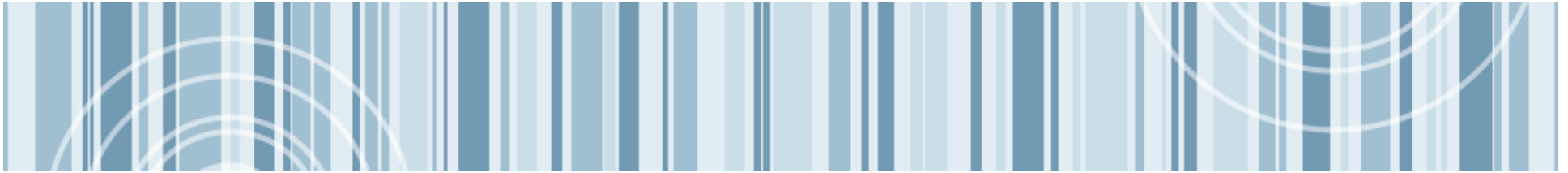
Cash used in investing activities was largely for capital expenditure to support the Group's expansion and investments in subsidiaries and associates.

Margins

	3Q 09	3Q 08	YTD 09	YTD 08
Gross Margin	36%	27%	40%	32%
Net Margin	14%	10%	14%	13%
Working Capital Days	78	61	84	112

Key highlights

Improvement in margins are in line with the Group's prudent cost management and project execution.



Market and Business Overview: Preparation for Growth



Potential Risks

- Inflation from liquidity fuelled boom feeding through to rising commodity prices
- Depreciation of USD



Preparation For Growth

- Protection of margins through active cost and project management
- Focus on realising key deals under negotiations
- Active exploration of growing opportunities in new and existing markets

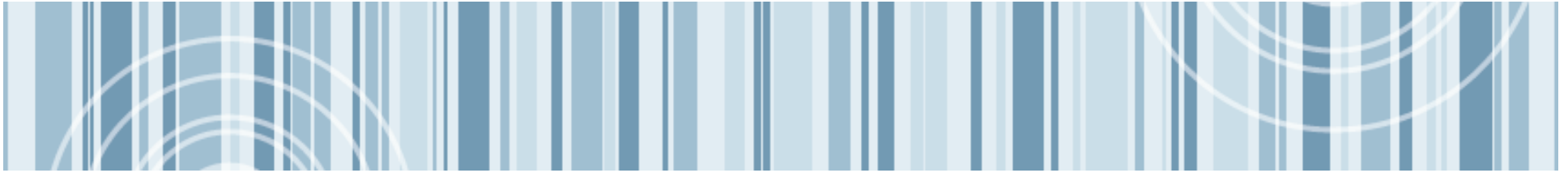


Disclaimer

This presentation has been prepared by Hyflux Ltd for the information of the attendees of this presentation.

This presentation is not and does not constitute or form part of any offer, invitation or recommendation to subscribe for or purchase any security and neither this presentation nor anything contained in it shall form the basis of, or be relied upon in connection with, any contract, commitment or investment decision. This document may not be used or relied upon by any party, or for any other purpose, and may not be reproduced, disseminated or quoted without the prior written consent of Hyflux Ltd.

No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of Hyflux Ltd or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this presentation.



We make things happen.

Hyflux[®]