1Q 2009
RESULTS REVIEW

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Program

- Overview
- Quarterly Financial Results Review
- Growth Strategy

A Sustainable Growth Model

- Focus on delivery of key projects
  - Tianjin Dagang Desal Plant is expected to deliver water in 2009.
  - Tlemcen Desal Plant is expected to deliver water in early 2010.
  - Magtaa Desal Plant: Financial close in March 2009. First loan drawn down in April 2009.

- Continuous cost management and productivity improvements.

- Quality earnings lends support to obtaining financing facilities (e.g. for Tianjin Dagang Desal Plant).

Revenue & Profit Comparison

S$ Mln	1Q 09	1Q 08	+/- %
Revenue	88.2	89.6	(2%)
PBT	6.8	5.6	23%
PATMI	5.1	5.7	(11%)

Key highlights

Group revenue largely held steady despite challenging economic conditions due to the strength of its order book. The slight contraction in revenue was mainly due to continued weakness in industrial sales in China.

Profit before tax increase was due to continuous cost management while identifying further productivity gains.

PATMI declined because of the absence of positive net tax credits as compared to 1Q 08.

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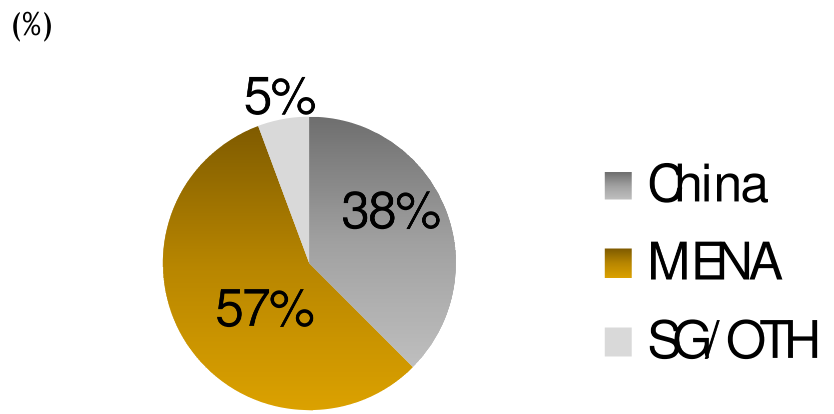
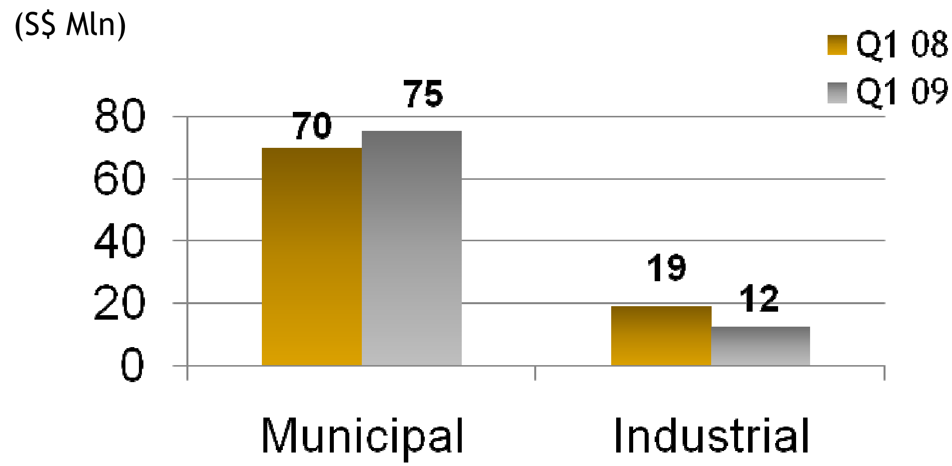
Revenue Composition

Revenue by Country - 1Q 09



Revenue of Key Sectors - 1Q 09



Key highlights

China & MENA remain important revenue drivers.

MENA accounted for majority (57%) of the total revenue.

Key highlights

Municipal Sales continued to be the largest contributor to the Group's revenue.

Industrial Sales dipped due to the economic slowdown in China.

Cost & Expenses

S$ Mln	1Q 09	1Q 08	+/- %
Raw Materials & Subcontractor's Cost	59.9	65.9	(9%)
Staff	13.0	10.3	26%
Depreciation & Amortisation	2.4	2.1	16%
Other Expenses	4.7	2.0	133%
Finance Costs	3.0	2.1	43%
Total Operating and Finance Exp	83.0	82.4	1%

Key highlights

Raw materials and subcontractor's costs decreased due to continuous cost management.

Staff costs increased in line with business expansion, particularly in O&M activities and in preparation of mobilisation works at Magtaa

Other expenses increased due to bank charges and professional fees relating to Magtaa's financial close.

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Balance Sheet

S$ Mln	1Q 09	4Q 08	+/- %
Equity	318	308	3%
Non-current Assets	527	462	14%
Current Liabilities	326	325	0%
Net Current Assets	62	60	3%
Net Gearing	0.82x	0.54x	

Key highlights

Non-current Assets increased mainly due to further investments into municipal projects.

Higher gearing is due to increased borrowings to support investments into new developmental projects.

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Cash Flow

S$ Mln	1Q 09	1Q 08	+/- %
Operating CF (bef work cap)	14	10	40
CF Operations	(50)	33	(253%)
CF Investing	(33)	(54)	38%
CF Financing	64	(1)	NM
Net Cash Changes	(19)	(22)	--
Cash & Equivalents	75	98	(24%)

NM – not meaningful

Key highlights

Lower cashflow from operations mainly due to investments into projects and payments to trade creditors.

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Financial Ratios

	1Q 09	1Q 08
Gross Margin	32%	23%
Net Margin	6%	7%
Receivable Turnover	1.5	1.6
Days Sales Outstanding	63	55
Return on Equity	2%	3%

Key highlights

Expansion in gross margins is a result of continuous cost management and productivity gains.

Days sales outstanding has increased largely due to the industrial segment.

Net margin is lower due to net tax credits received in 1Q 08.

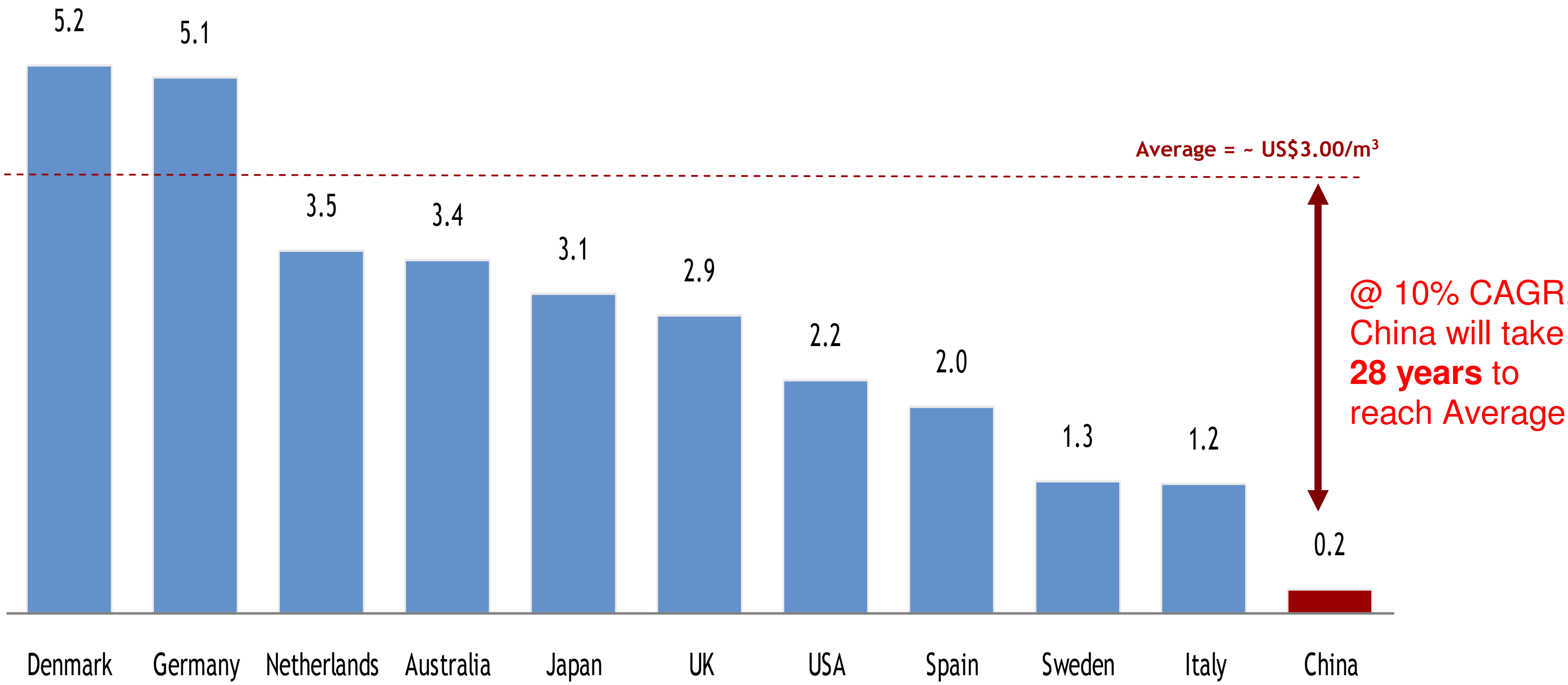
Growth Strategy

- Focus on key markets in China and MENA.
- Continued investments into R&D and development of new membrane applications.
- Growth of recurring revenue stream from our global O&M business.

China: Strong Tariff Growth Potential

PRC water tariffs are low by international standards (US$/m³)

- **Opportunity for tariff increase**
  - Significantly lower water tariffs in the PRC compared to global average
  - Tariffs increased by approximately 60% between 2003 and 2007

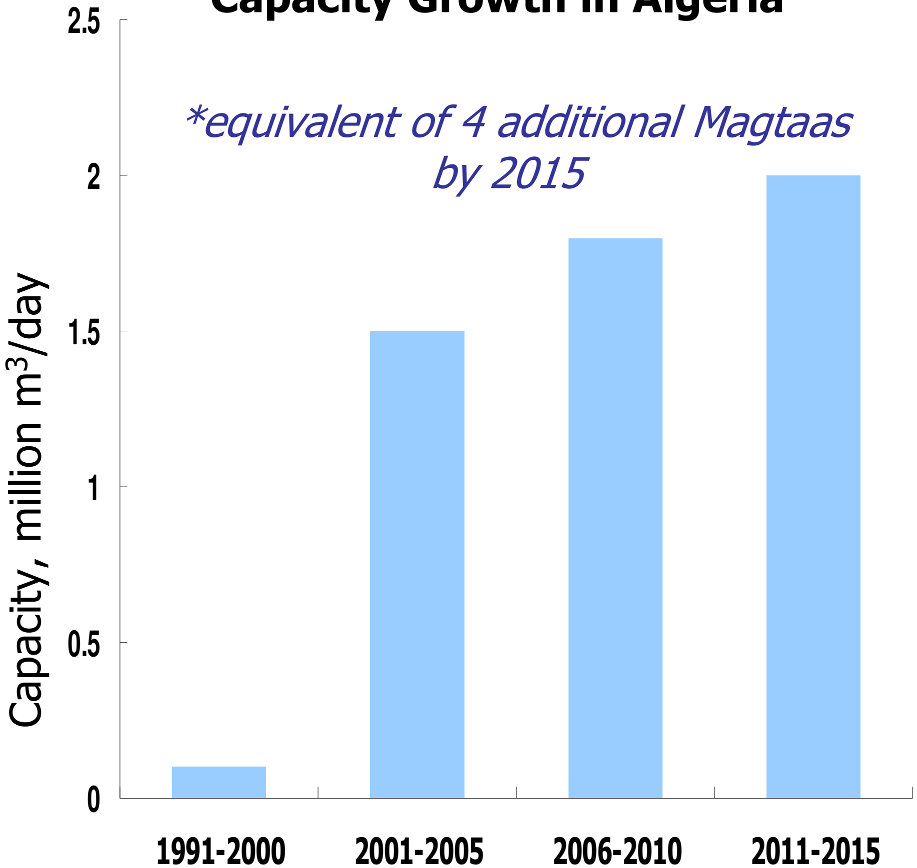


Source: Scott Wilson water sector report

Hyflux is poised to capture huge tariff Increase

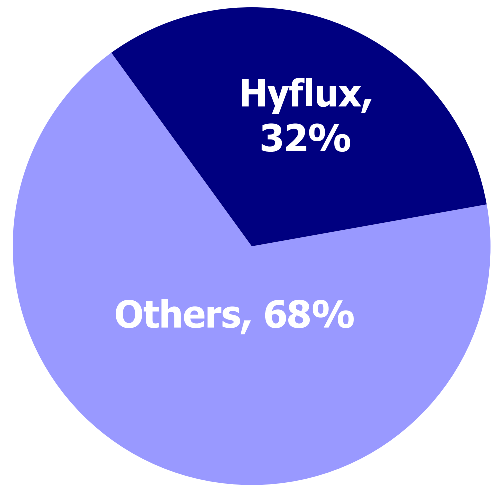
Algeria's Growth Potential

Historic and Forecast Capacity Growth in Algeria



Source: Desalination Markets 2007, GWI

Algeria Market Share (awarded capacity)



Tlemcen Plant

- 200,000 m^3/day
- US$ 200 Million
- PCOD Dec 2009
- 100% guaranteed offtake

Magtaa Desal Plant

- 500,000 m^3/day
- US$ 443 Million
- **WORLD's LARGEST**
- 100% guaranteed offtake

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