



## NEWS RELEASE

### HYFLUX POSTS 66% RISE IN REVENUE IN FIRST HALF

- Second quarter revenue up by 71%
- Second quarter net profit improves by 21%
- Balance sheet remains strong with healthy gearing level

*Singapore, 2 August 21012* – Hyflux Ltd (“Hyflux” or “Group”) today reported that group revenue went up by 66% and profit after tax and minority interests (“PATMI”) by 15% to S\$329.3 million and S\$25.2 million respectively for the half year ended 30 June 2012, driven largely by activities in Asia.

In the first six months of FY2011, group revenue was S\$197.9 million while PATMI was S\$21.9 million.

Group revenue for the second quarter of FY2012 rose by 71% to S\$190.4 million, while PATMI grew by 21% to S\$17.5 million.

In the first half of FY2012, raw materials and consumables used and sub-contractors’ costs increased to S\$209.3 million compared with S\$99.3 million in the first half of FY2011. This was largely in line with the revenue growth from projects in Asia outside of China. Staff costs also went up by 44% from S\$25.9 million to S\$37.3 million.

Finance costs went up by 21% to S\$13.7 million from S\$11.3 million due to the increase in bank borrowings.

The gross margin achieved for the six-month period ended 30 June 2012 was at 36% and net margin was 8%. As at 30 June 2012, the Group’s cash and cash equivalents stood at S\$635.3 million and net gearing was 0.4 times.

An interim dividend of 0.7 Singapore cents per ordinary share has been recommended for the six-month reporting period of FY2012.



### **Asia is dominant contributor to revenue**

In the first six months of FY2012, Asia's collective contribution to group revenue was 94%.

In contrast, revenue contribution from MENA declined to S\$19.3 million or 6% of group revenue in the first six months of FY2012. The fall in MENA contribution was expected as the Group's projects in the region were close to completion.

In the first six months of FY2011, MENA markets contributed 44% of Group revenue while Asia provided 56%.

The Group's revenue profile continued to be dominated by municipal projects which made up 92% of total revenue, while the industrial sector contributed 7%.

At the end of June 2012, the Group's order book stood at S\$1.6 billion, comprising S\$712 million worth of engineering, procurement and construction projects and S\$930 million in operations and maintenance contracts.

### **Global outlook continues to be challenging**

"The global outlook remains challenging. However, we still see opportunities in the MENA region and we are well positioned to capture these," said Ms Olivia Lum, Executive Chairman and Group CEO of Hyflux.

In March 2012, a consortium comprising Hitachi Ltd, Itochu Corporation and Hyflux signed a co-developer's agreement to develop a desalination project at the Dahej Special Economic Zone in Gujarat state, India. The consortium is finalising the water purchase agreement for the Dahej desalination project. Hyflux is expected to undertake an estimated US\$420 million worth of project value.

In Singapore, construction on the Tuaspring Desalination Plant is progressing well.

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## **About Hyflux**

Hyflux is *one* of the world's leading fully-integrated water solutions companies, with operations and projects in Southeast Asia, China, India, the Middle East and North Africa. Hyflux is committed to providing cost-effective and sustainable solutions in seawater desalination, water recycling, wastewater treatment, including membrane bioreactor (MBR) and potable water treatment. Hyflux's track record includes Singapore's first water recycling plant and first seawater reverse osmosis (SWRO) desalination plant and China's largest SWRO desalination plant in Tianjin City. The company is building the world's largest SWRO desalination plant in Magtaa, Algeria as well as Singapore's second SWRO desalination on a design, build, own and operate model.

For more information, please visit [www.hyflux.com](http://www.hyflux.com)

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