



NEWS RELEASE

HYFLUX'S NET PROFIT RISES 5% TO S\$8M IN FIRST QUARTER 2013

- **Attains higher gross margin of 40%**
- **Improving outlook for the global water industry**

Singapore, 9 May 2013 – Hyflux Ltd (or the Group) today announced a 5% rise in profit after tax and minority interests (PATMI) to S\$8.0 million and total revenue of S\$124.5 million for the first three months of the financial year ending 31 December 2013. The profit before tax for the period was S\$10.0 million.

The Group's municipal projects in Asia, ex-China were major contributors to group revenue, providing 87% or S\$109.2 million to first quarter revenue. The Group's operations in China provided 8%, while Middle East and North Africa contributed 5% to total revenue.

The total revenue recorded for first quarter of FY2013 was 8% lower than the total revenue of S\$135.3 million registered for the first quarter of FY2012. The profit before tax was S\$10.5 million and PATMI was S\$7.7 million for the first quarter of FY2012.

As a result of overall cost management efforts, the Group improved on its gross margin to 40% in the first quarter of FY2013 compared to 37% in the first three months of FY2012. Total operating costs and finance expenses fell by some 8% due to lower costs incurred for raw materials, consumables and changes in inventories, and a reduction in staff costs and other expenses.

The net gearing ratio remained healthy at 0.7 times and the cash position stood at S\$402 million.

Outlook for the year

Tuaspring Desalination Plant in Singapore is currently undergoing testing and commissioning. The plant is scheduled to start operations in the second half 2013 and will begin to contribute to the Group's growing portion of recurring income.



Despite the challenging economic conditions, the Group notes an improvement in the global water industry as governments are investing in large-scale water projects due to pent-up demand, and as more projects are being put up for tender to tap on private-sector funding. The prospects for the industrial water sector continue to improve as countries such as China and India impose more stringent water discharge standards and encourage industries to seek alternative sustainable sources of water such as recycling and desalination. Hyflux continues to actively pursue opportunities in Asia, the Middle East and in selective markets in Africa.

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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

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