



## NEWS RELEASE

### HYFLUX TURNS IN FULL-YEAR PATMI OF S\$44M ON S\$535.8M REVENUE

- **Completed Tuaspring Desalination Plant (Singapore's largest) in September 2013**
- **Revenue and profits reflect timing of projects' completion during the year**
- **Actively expanding our global footprint**

*Singapore, 20 February 2014* – Hyflux Ltd (or the Group) posted profit after tax and minority interests (PATMI) of S\$44.0 million for the full year ended 31 December 2013, a 28% decline from S\$61.0 million PATMI recorded in FY2012. Full-year revenue decreased 18% year-on-year from S\$654.8 million to S\$535.8 million. This reflected the timing of projects completed during the year.

The Group's 318,500m<sup>3</sup>/day Tuaspring Desalination Plant in Singapore went online in September 2013. The engineering, procurement and construction (EPC) works on the on-site power plant are progressing as planned with its completion dependent upon the operational readiness of the national power grid to connect to the plant.

The municipal sector continued to be the main contributor to the Group's revenue, with Asia ex-China providing 87% of total revenue. China contributed 9% while the Middle East and North Africa made up the remaining 4% of total revenue.

Overall, the total operating and finance expenses fell 16% from S\$583.2 million to S\$489.0 million. This is mainly driven by lower direct costs and staff costs due to the completion of some of the Group's projects.

Finance costs went up because of higher borrowings to fund the Group's water projects, and depreciation, amortisation and impairment also increased due mainly to impairments and write-downs of the carrying value of non-core business and technology related assets.

At the close of FY2013, the Group's net gearing ratio stood at 1.15 times, with a cash position of S\$243.9 million.



The Board of Directors has proposed a final dividend of 1.60 Singapore cents per ordinary share. This is in addition to an interim dividend of 0.70 Singapore cents per ordinary share that was paid out in September 2013.

Commenting on the Group's performance in FY2013, Hyflux's Executive Chairman and Group CEO, Ms Olivia Lum, said: "Despite 2013 being another difficult year, we managed to turn in a creditable performance. We saw the commissioning of Tuaspring Desalination Plant in Singapore as well as a portfolio of smaller projects in the region which were completed within very tight timelines. Some of these plants have started contributing to our recurring income base which will augment our EPC income streams."

### **Outlook for 2014**

As at 31 December 2013, the Group's order book stood at S\$2.67 billion, with S\$732 million worth of EPC contracts and S\$1.9 billion from operations and maintenance.

The Group expects a slower first half in FY2014 due to the timing of projects. The Group aims to achieve the financial close for its Dahej project in India in the first half of FY2014 which will signal the start of EPC works on the 336,000m<sup>3</sup>/day desalination plant.

The outlook for the global water industry has improved and more water infrastructure projects are being made available for public tenders. Beyond the Group's established markets in Asia and Algeria, it is also focusing more on and actively tendering for projects in the Middle East and 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 two seawater reverse osmosis (SWRO) desalination plants, and some of the world's largest SWRO desalination plants in China and Algeria.

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

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