



## **NEWS RELEASE**

### **HYFLUX POSTS RECORD PATMI OF S\$99.3 MILLION IN 1HFY2014**

*Singapore, 7 August 2014* – Hyflux Ltd (or the Group) reported profit after tax and minority interests (PATMI) of S\$99.3 million and Group revenue of S\$169.0 million for the half year ended 30 June 2014. In the first six months of FY2013, Group revenue was S\$262.9 million while PATMI was S\$25.7 million.

The municipal sector continued to be the main contributor to the Group's revenue. Asia ex-China accounted for 82% of total revenue, China 13% while the Middle East and North Africa made up the remaining 5% of total revenue.

As part of the Group's asset recycling strategy, the divestments of the joint venture with Marmon Water LLC group and Hyflux Innovation Centre contributed to Other Income of S\$137.6 million. The proceeds will be used for strategic investments in three main areas: financing the Group's infrastructure projects, acquiring new technology and investments in R&D, and expanding and automating the Group's membrane manufacturing operations.

The Group's cash position increased to S\$481.0 million as at 30 June 2014 from S\$243.9 million as at 31 December 2013. Net gearing ratio improved to 0.54 times as at 30 June 2014, compared to 1.15 times as at 31 December 2013.

An interim dividend of 0.70 Singapore cents per ordinary share has been declared for the six months ended 30 June 2014.

The Group's total order book stood at S\$2.6 billion, comprising S\$1.9 billion of operations and maintenance and S\$682 million of engineering, procurement and construction contracts at the end of June 2014.



## **Outlook for the year**

The Group remains cautious on its business outlook given the mixed global economic conditions and expects the second half to remain slow. The delay in the connection of the national power grid to our Tuaspring power plant will continue to have operating cost implications over the next few quarters. While the outlook for the global water industry is positive, the momentum of municipal projects being made available for tender has been slower than anticipated in the past year.

“We have taken the initiative to strengthen our financial position in support of our growth strategy through the issuance of capital securities and divestments of non-core assets. This puts us in a strong position for the rebound we expect to see in the global water industry,” said Executive Chairman & Group CEO Olivia Lum.

The Group will continue to actively pursue municipal and industrial projects in selective markets in the Middle East, Africa, Asia and Latin America as well as explore opportunities to recycle capital for strategic investments.

With growing urbanisation, the Group sees a trend towards integrated solutions for liveable cities in which a sustainable approach has to be taken for key resources such as water and other urban planning. There are opportunities for the Group in the areas of technology insertion in selective infrastructure-related projects.

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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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