



NEWS RELEASE

HYFLUX REPORTS S\$11.3 MILLION NET PROFIT FOR THIRD QUARTER

Singapore, 5 November 2014 – Hyflux Ltd (or the Group) reported profit after tax and minority interests (PATMI) of S\$11.3 million in the third quarter of FY2014 compared with S\$25.3 million PATMI recorded in the third quarter of FY2013. Total revenue for the third quarter declined 46% to S\$101.0 million, reflecting the timing of project commencement in FY2014.

For the nine months ended 30 September 2014, the Group recorded PATMI of S\$110.6 million on revenue of S\$270.0 million. This was an increase from PATMI of S\$51.0 million on revenue of S\$450.7 million in the same period in FY2013. Gains from the Group's divestments of the joint venture with Marmon Water LLC group and Hyflux Innovation Centre earlier this year contributed to the higher PATMI.

The municipal sector represented 86% or S\$232.0 million of Group revenue for the nine months ended 30 September 2014. It recorded lower revenue compared to the same period in FY2013.

Contributions from the industrial sector rose to 12% or S\$33.5 million as the Group focused on the design and supply of technology packages for various water treatment solutions.

The Group's operations in Asia ex-China accounted for 82% of total revenue, China 12%, while the Middle East and North Africa made up the remaining 6% of total revenue.

The net gearing ratio remained healthy at 0.41 times and the cash position stood at S\$528.0 million as at 30 September 2014.



Outlook for the year

The Group remains cautious on its business outlook given the mixed global economic conditions and expects the last quarter to remain slow. The delay in the connection of the national power grid to the 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.

The Group is actively working with the relevant authorities and partners on the Dahej project in Gujarat, India. However, financial close is not expected to be achieved before year end.

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. At the same time, the Group sees opportunities in infrastructure development projects in Africa and Asia where it can offer value through affordable water and accessible power.

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About Hyflux

Hyflux is a leading fully-integrated provider of water and power management and innovative environmental solutions. Headquartered and listed in Singapore, Hyflux has 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. The Group'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

For media queries, please contact:

Genevieve Woo (Ms)

Corporate Communications

DID: (65) 3157 7770

Email: genevieve_woo@hyflux.com

Marian Boon (Ms)

Corporate Communications

DID: (65) 3157 7635

Email: marian_boon@hyflux.com