



## **NEWS RELEASE**

### **HYFLUX POSTS FULL YEAR 2014 NET PROFIT OF S\$57.5 MILLION**

*Singapore, 27 February 2015* – Hyflux Ltd (or the Group) today reported Group revenue of S\$321.4 million and profit after tax and minority interests (PATMI) of S\$57.5 million for the full year ended 31 December 2014.

Group revenue in FY2014 declined 40% from S\$535.8 million in FY2013 mainly due to the timing of project construction activities following the completion of Tuaspring desalination plant, and the slower than anticipated commencement of the Dahej project. PATMI rose 31% from S\$44.0 million in FY2013 on gains from the Group's divestment of the joint venture with Marmon Water LLC group and Hyflux Innovation Centre in FY2014.

The Group's revenue profile continued to be driven by municipal projects which represented 84% or S\$269.9 million of Group revenue for the full year ended 31 December 2014. Contributions from the industrial sector rose to 14% or S\$46.4 million as the Group focused on the design and supply of technology packages for various water treatment solutions.

Asia remained the key market for Hyflux with revenue contributions from Singapore and China accounting for 72% and 15% respectively. The Middle East and North Africa contributed 7% while Others made up the remaining 6% of Group revenue.

The Group's cash position increased to S\$444.4 million and the net gearing ratio improved to 0.51 times as at 31 December 2014.

The Board of Directors has proposed a final dividend of 1.60 Singapore cents per ordinary share. Together with an interim dividend of 0.70 Singapore cents per ordinary share paid in September 2014, this brings the total dividend for the year to 2.30 Singapore cents per ordinary share.

### **Strong order book of more than S\$2.9 billion**

Hyflux's Magtaa Desalination Plant was officially opened by Algeria's Prime Minister in November 2014. With a designed capacity of 500,000 m<sup>3</sup>/day, it is one of the largest seawater reverse osmosis desalination plants in the world. The plant will contribute to the Group's recurring income base over the next 25 years.



In December 2014, Hyflux was successful in our tender for a contract worth US\$250 million to design, build, own and operate an independent water project in Qurayyat, Sultanate of Oman. The Group is on track to signing the Water Purchase Agreement (“WPA”) and construction activities will start upon signing of the WPA.

Including the Qurayyat project’s engineering, procurement and construction work which is worth US\$210 million, the Group’s order book stood at \$2.9 billion as at year-end, comprising \$954 mil in EPC projects and \$2.0 billion in operations and maintenance contracts.

### **Outlook for 2015**

In Singapore, Hyflux has completed construction of the 411 MW combined cycle gas turbine power plant co-located with Tuaspring Desalination Plant. It is expected to be connected to the national grid in the second half of 2015 after a period of prolonged delay in the grid connection. Following the connection, there will be a period of testing which will have operating cost implications.

Progress to achieve financial close for the Dahej desalination project in Gujarat, India has been slower than anticipated. The Group continues to work closely with our partners to drive the project forward.

“We are cautiously optimistic about the rebound in the water industry in 2015 amidst a weaker oil price environment. While the first half is likely to be slow, we expect a pick-up in the second half. There may also be some opportunities in asset divestment during the year. We will continue to focus on capturing growth opportunities in our key markets,” said Ms Olivia Lum, Executive Chairman and Group CEO of Hyflux.

The Group is actively pursuing municipal and industrial projects in selective markets in the Middle East, Africa, Asia and the Americas. In addition, the Group will seek opportunities in infrastructure development projects in Africa and Asia where it can offer value through integrated water and power solutions.

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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](http://www.hyflux.com)

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