

Hyflux Ltd

Half Year FY2012 Results Review

2 August 2012

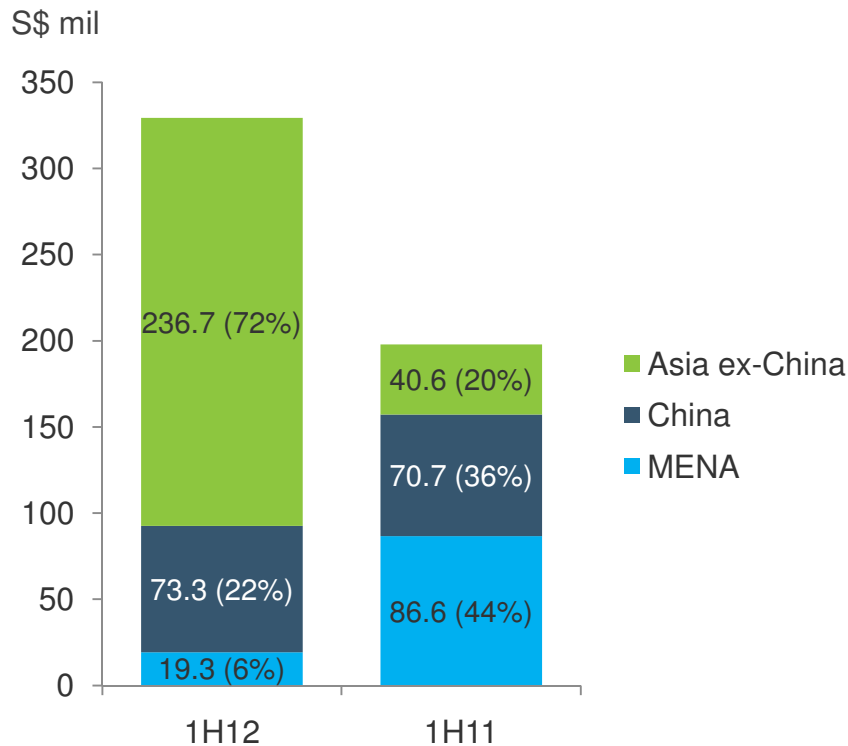
Executive headlines

- 66% rise in revenue and 15% PATMI growth for first half.
- Higher contributions from Asia outside of China.
- Strong balance sheet and healthy gearing.
- Global outlook is challenging but there are opportunities in Middle East North Africa (MENA) region which Hyflux is well positioned to capture.
- In India, the Hitachi-Itochu-Hyflux consortium is finalising the WPA for the 336,000 m³/day seawater desalination project in Dahej, Gujarat.
- In Singapore, construction of Tuaspring Desalination Plant is on track.

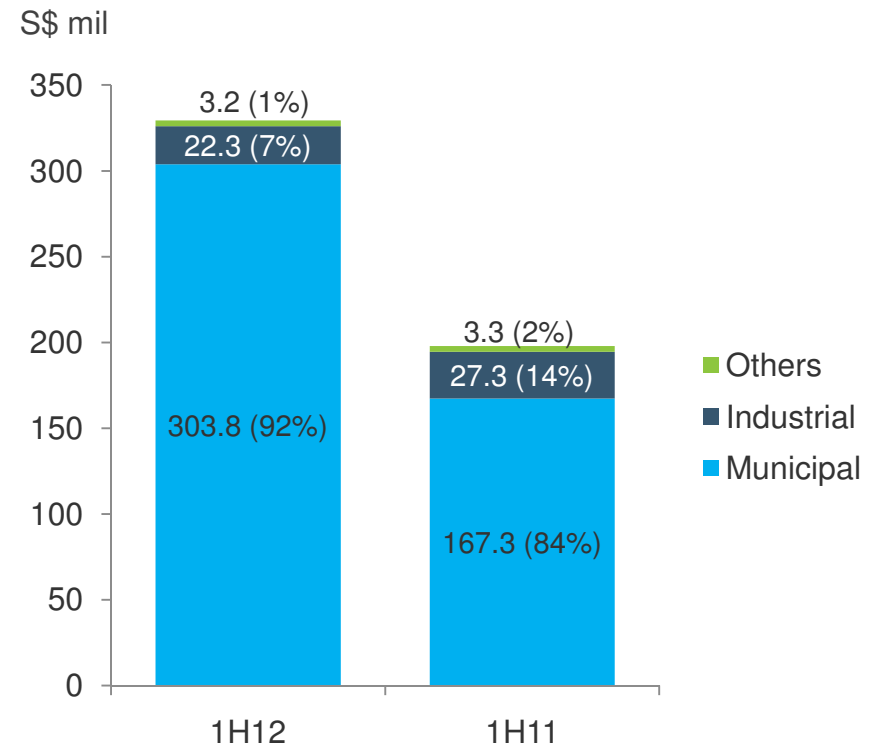
66% rise in revenue and 15% PATMI growth in 1H

<u>S\$ mil</u>	2Q12	2Q11	% Change	1H12	1H11	% Change
Total Revenue	190.4	111.1	71	329.3	197.9	66
PBT	21.6	19.4	11	32.1	27.4	17
PATMI	17.5	14.5	21	25.2	21.9	15

Asia and municipal sector are key contributors

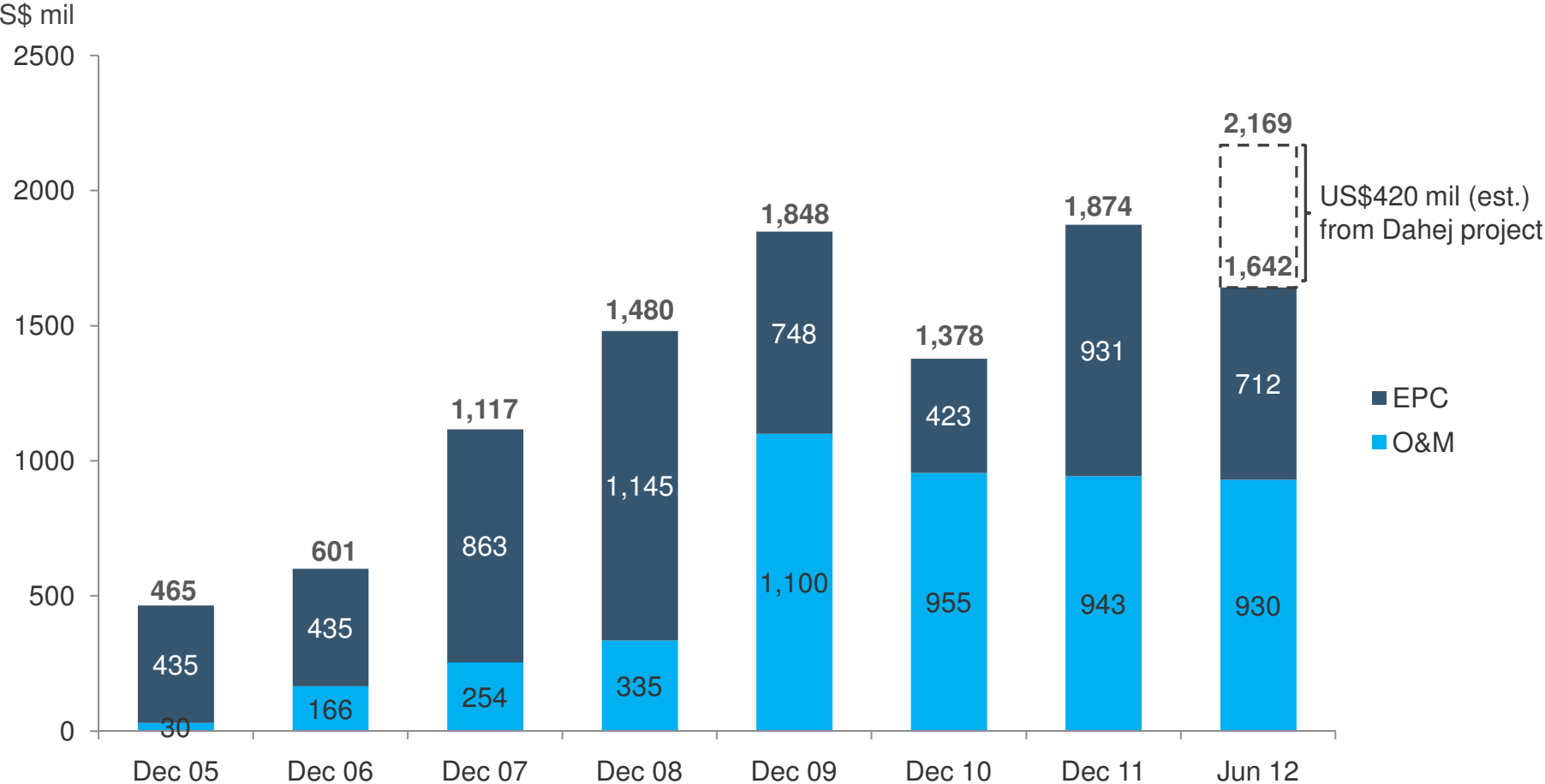


- Higher revenue contribution from Asia.
- Lower contributions from MENA is due to the near completion of desalination projects in Algeria and Oman.



- Municipal sales continued to be the key driver with the execution of projects in Asia.

Steady order book



Note:

O&M order book is a summation of future revenues of our portfolio of plants over the concession periods.

World's largest SWRO desal plant is close to completion

Magtaa Desalination Plant, Algeria (Capacity: 500,000 m³/day)



Overview of Magtaa Desalination Plant, Algeria

Singapore's largest SWRO desal plant's construction is on track

Tuaspring Desalination Plant, Singapore (Capacity: 318,500 m³/day)



RO Building at Tuaspring Desalination Plant, Singapore

Tuaspring Desalination Plant



RO Building at Tuaspring Desalination Plant, Singapore

Higher raw materials, staff costs in line with revenue growth

<u>S\$ mil</u>	2Q12	2Q11	% Change	1H12	1H11	% Change
Raw Materials & Consumables	124	56	122	209	99	111
Staff Costs	19	14	35	37	26	44
Depreciation & Amortisation	6	5	12	11	10	10
Other Expenses	15	12	22	29	29	(2)
Finance Costs	7	6	21	14	11	21
Total Operating & Finance Expenses	171	93	83	300	175	71

- Higher expenditure on staff and raw materials and consumables is a result of revenue growth as well as additional overhead and manpower costs incurred due to a warehouse fire in 2011 which extended the time needed for completing Magtaa Desalination Plant.
- Other expenses increased partly due to higher professional fees.

Balance sheet remains healthy

<u>S\$ mil</u>	30 Jun 12	31 Mar 12	31 Dec 11
Equity	889	917	936
Non-current Assets	1,179	1,015	933
Non-current Liabilities	837	737	741
Current Liabilities	485	355	356
Net Current Assets	548	640	743
Net Gearing	0.4x	0.2x	0.2x

- Decrease in shareholders' equity is mainly due to the purchase of treasury shares.
- Non-current assets rose on the back of higher financial receivables from the construction of Tuaspring Desalination Plant.
- Increase in current liabilities is mostly the result of higher trade payables, loans and borrowings.

Strong cash position

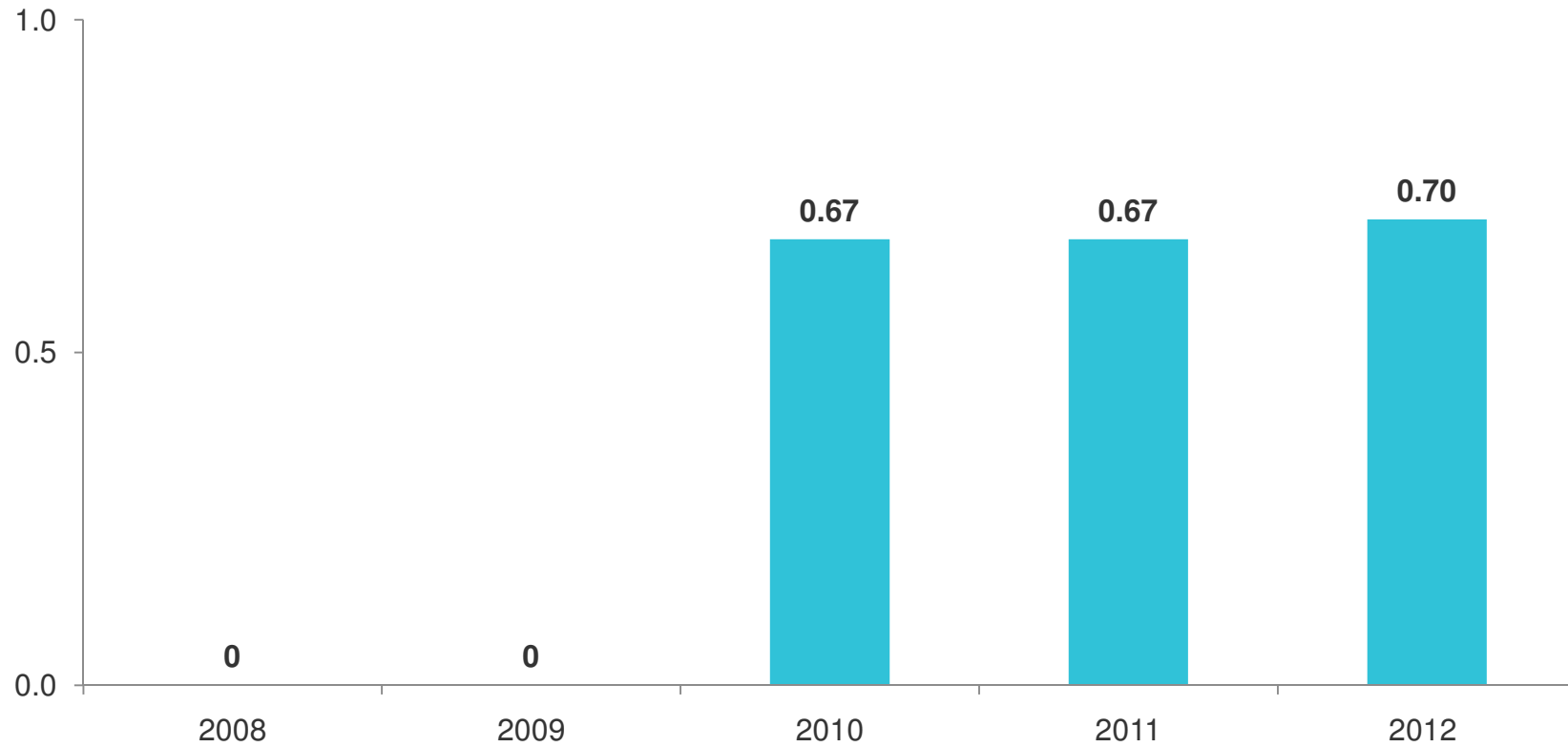
<u>S\$ mil</u>	2Q12	2Q11	1H12	1H11
CF Operating before SCA*	63	82	138	36
CF Operating after SCA* and tax paid	(90)	56	(105)	2
CF Investing	(19)	(47)	(26)	(48)
CF Financing	133	265	95	266
Net Cash Changes	24	274	(36)	220
Cash & Cash Equivalents	635	446	635	446

*SCA: Service concession arrangement

- Operating cash flow (after SCA) decreased as a result of the construction costs for the development of Tuaspring Desalination Plant.
- Cash used in investing activities was largely capital expenditure for the construction of Hyflux's new headquarters and manufacturing facility at Tuas Hub.
- Cash generated from financing activities was mainly from borrowings to fund the Group's projects.

Interim dividend of 0.70 Singapore cents per share recommended

Interim Dividend per Share (Singapore cents)*



*Dividends have been restated to reflect 1-for-2 bonus share issue

Thank you



**WATER
SOLUTIONS
THAT
IMPACT LIVES**

Slide 14

Hyflux

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