



Press Release

Weak Construction Market in Singapore led to lower performance in 3Q2016

- Group registered a turnover of \$102.8 million and Profit before tax of \$5.1 million
- Contributions from Precast & PBU and Dry Mix divisions were affected by a slowdown in construction activities in Singapore

Financial Highlights (Continuing Operations)	THE GROUP					
	Quarter ended 30 September			9 months ended 30 September		
	2016 S\$'000	2015 S\$'000 (restated)	Change %	2016 S\$'000	2015 S\$'000 (restated)	Change %
Group Turnover	102,797	120,882	(15)	321,541	331,131	(3)
Group Profit Before Tax	5,121	13,167	(61)	24,987	25,501	(2)
Group Profit Attributable to Shareholders	2,837	10,929	(74)	17,564	20,139	(13)
Earnings Per Share (cents)	0.76	2.93	(74)	4.70	5.39	(13)

Singapore, 11 November 2016 – NSL Ltd reported a turnover of \$102.8 million in 3Q2016, 15% lower than \$120.9 million achieved in 3Q2015. Group Profit before Tax declined from \$13.2 million in 3Q2015 to \$5.1 million in 3Q2016.

The weaker performance was mainly due to Precast & Prefabricated Bathroom Unit (PBU) and Dry Mix divisions as a result of the slowdown in construction activities in Singapore. In addition, associate PEINER SMAG Lifting Technologies GmbH (PSLT) slipped into an operating loss in this quarter owing to a one-off restructuring cost.

After taking into account income tax, the Group reported a profit attributable to equity holders of \$2.8 million in 3Q2016 compared to \$10.9 million in 3Q2015.

For nine months ended 30 September 2016, the Group recorded a turnover of \$321.5 million. The lower turnover was largely due to the Dry Mix and Environmental Services divisions.



Group Profit before tax decreased 2% to \$25 million in 9M2016 as a result of lower performance by Environmental Services and Dry Mix Divisions, as well as operating loss incurred by associate PSLT. This was mitigated by higher contribution reported by Precast & PBU division.

After taking into account income tax and non-controlling interests, the Group reported a profit attributable to equity holders of \$17.6 million in 9M2016 compared to \$20.1 million in 9M2015.

Outlook

The outlook of the precast business in Singapore remains difficult with downward pressure on project margins. However, the overall performance of the Precast & PBU division for the current financial year is expected to remain satisfactory underpinned by healthy order book of its overseas units.

In the Environmental Services division, both the Recycled Fuel Oil and waste management services businesses are expected to remain weak in line with market conditions. The newly acquired subsidiary, CNC Petroleum, is expected to contribute positively to growth of the division's distribution business.

PSLT is in a better position to weather the challenging market conditions following the restructuring of its operations.

As announced on 5 November 2016, the Group has entered into a sale and purchase agreement to divest its entire equity interest in the Dry Mix business for a cash consideration of approximately \$159.8 million (Divestment). The Divestment is expected to be completed in 1Q2017 and would result in a one-off divestment gain of approximately \$107.6 million.

The Dry Mix division was a significant profit contributor to the Group and had contributed approximately 75% and 56% of the Group Pre-tax profit in FY2015 and 9M2016 respectively.

-End -



About NSL

NSL and its group of companies is a leading industrial group in the Asia Pacific. The Group has businesses in Precast & Prefabricated Bathroom Unit (PBU), Dry Mix, Environmental Services and an investment in Engineering.

The Precast & PBU Division is a market leader in manufacturing precast concrete components and Prefabricated Bathroom Units in the region. The Dry Mix Division is one of the largest and reputable regional producers of dry mix plaster and mortar. Environmental Services group, a key player in integrated environmental services in Singapore, has business in integrated waste management and distribution of fuels and lubricating oils. NSL's investment in Engineering specializes in bulk cargo and container lifting device.

NSL Group is widely recognized as an extensive user of technology to provide innovative solutions to industries. It partners eminent local industry and tertiary institutions to develop industrial best practices and leading technologies in its fields.

The Group has operations and joint ventures in 9 countries. The Company has been listed on the Singapore Exchange since 1964.

For more information, please visit www.nsl.com.sg

For media queries, please contact:

Chia Tong Hee
Senior Vice-President
Finance
DID: 6513 3913
Email: cth@nsl.com.sg

Yvette Tan
Assistant Vice-President
Corporate Communications
DID: 6513 3911
Email: ytan@nsl.com.sg