Hyflux Ltd
FY2014 Results Review

27 February 2015

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Executive highlights

- FY2014 PATMI up 31%
- Strong order book of more than S$2.9 billion with new project win in Oman
- Actively pursuing opportunities for water projects in the Middle East, Africa, Asia and the Americas

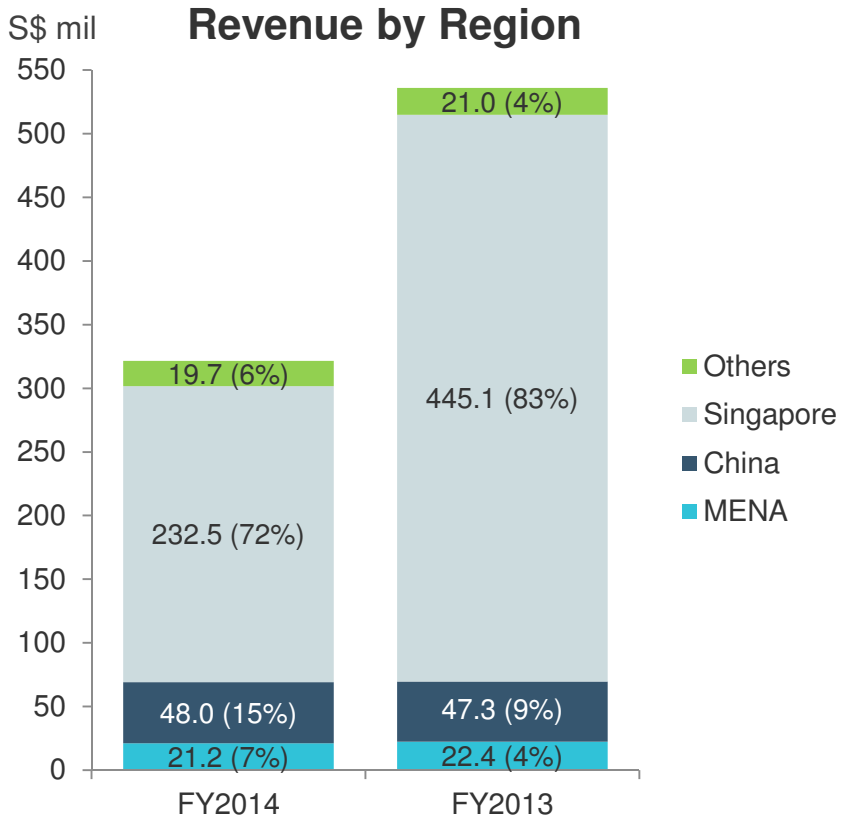
Revenue & profit

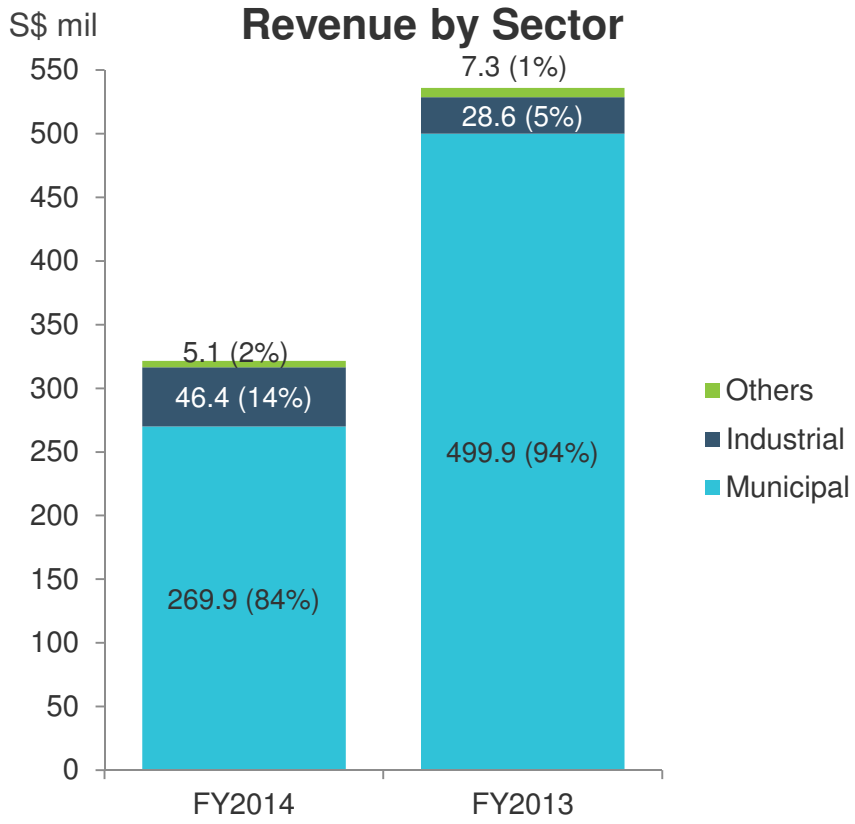
S$ mil	FY2014	FY2013	% Change
Total Revenue	321.4	535.8	(40)
Other Income	170.0	10.2	> 100
PBT	53.1	51.6	3
PATMI	57.5	44.0	31

- Lower revenue was due to the timing of project commencement.

- In line with our asset recycling strategy, higher Other Income and PATMI were recorded from the divestment of the joint venture with Marmon Water LLC group in March 2014 and sale and leaseback of Hyflux Innovation Centre in June 2014.

Asia and municipal sector continued to be key contributors





Expenses

S$ mil	FY2014	FY2013	% Change
Raw Materials & Consumables	164	267	(39)
Staff Costs	75	73	3
Depreciation, Amortisation & Impairment	33	42	(23)
Other Expenses	120	79	52
Finance Costs	35	28	27
Total Operating & Finance Expenses	427	489	(13)

- Decrease in Raw Materials and Consumables used was in line with revenue.
- Lower Depreciation, Amortisation and Impairment was mainly due to impairment charge made in FY2013 in relation to non-core assets.
- Increase in Other Expenses was primarily driven by higher utility charges from Tuaspring Desalination Plant due to the delay in the national grid connection to our power plant.

Balance sheet

S$ mil	31 Dec 2014	31 Dec 2013
Net equity	1,342	886
Non-current Assets	1,903	1,776
Non-current Liabilities	1,009	1,150
Net Current Assets	448	261
Net Gearing	0.51x	1.15x

- Perpetual capital securities issued in January and July 2014 contributed to the net equity.
- Net Gearing improved to 0.51 times as at 31 December 2014 from 1.15 times as at 31 December 2013.

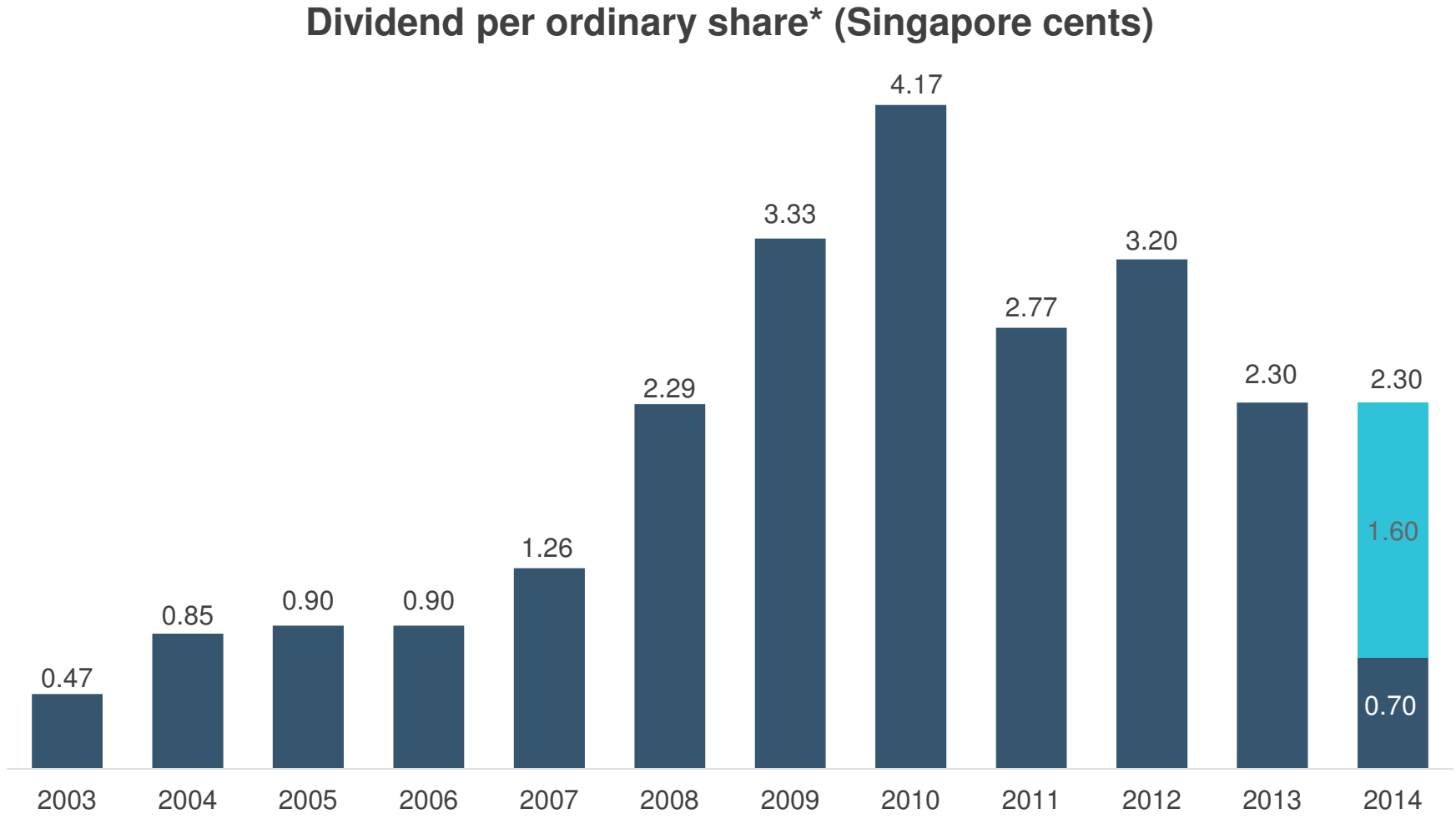
Cash flow

S$ mil	FY2014	FY2013
Operating CF before SCA	(15)	46
Operating CF after SCA and tax paid	(226)	(422)
Investing CF	206	(26)
Financing CF	210	168
Net Cash Changes	190	(281)
Cash & Cash Equivalents	444	244

SCA: Service concession arrangement

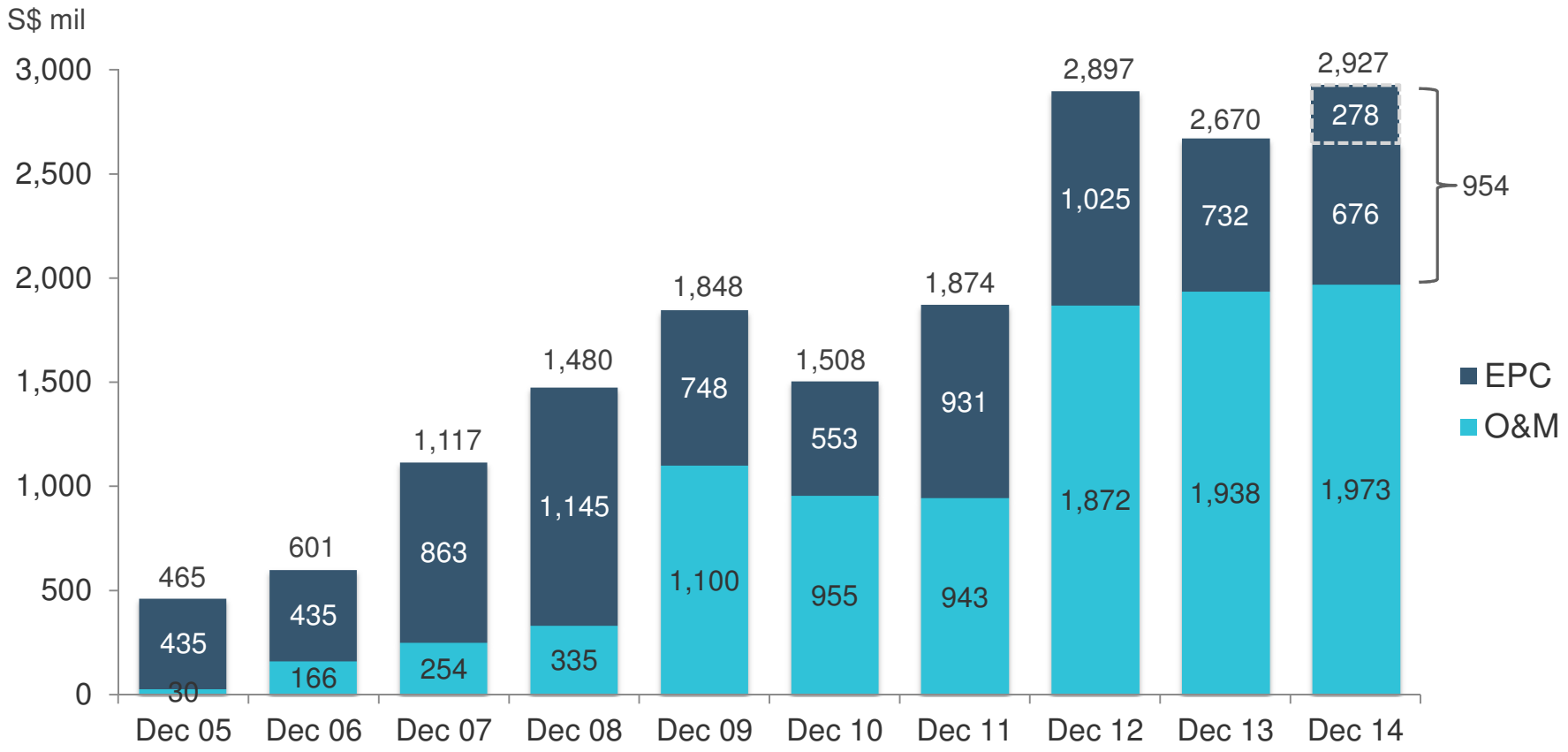
- Operating cash outflows after SCA contributed by investment in Tuaspring project.
- Cash from investing activities reflected divestment of joint venture with Marmon Water LLC in March 2014 and sale and leaseback of Hyflux Innovation Centre in June 2014.
- Cash from financing activities was largely from the proceeds of the perpetual capital securities issued in January and July 2014.

Final dividend of 1.60 Singapore cents per ordinary share proposed



*Dividends have been restated to reflect 1-for-2 bonus share issue in 2010

Order book



Note:

1. O&M order book is a summation of future revenues of our portfolio of plants over 20-30 year concession periods.
2. Dec-14 EPC order book includes Dahej desalination project. WPA was signed in January 2013.
3. Dec-14 O&M order book includes Tuaspring and Magtaa projects.
4. Water purchase agreement for Qurayyat project is expected to be signed by end of March 2015.

Key Project Highlights

Qurayyat Independent Water Project, Oman

Designed capacity: 200,000 m^3/day; 20-year concession period



Artist's impression

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Official opening of Magtaa Desalination Plant, Algeria

Designed capacity: 500,000 m^3/day; 25-year concession period



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Completed construction of Tuaspring Power Plant, Singapore

411 MW CCGT power plant co-located with Tuaspring Desalination Plant



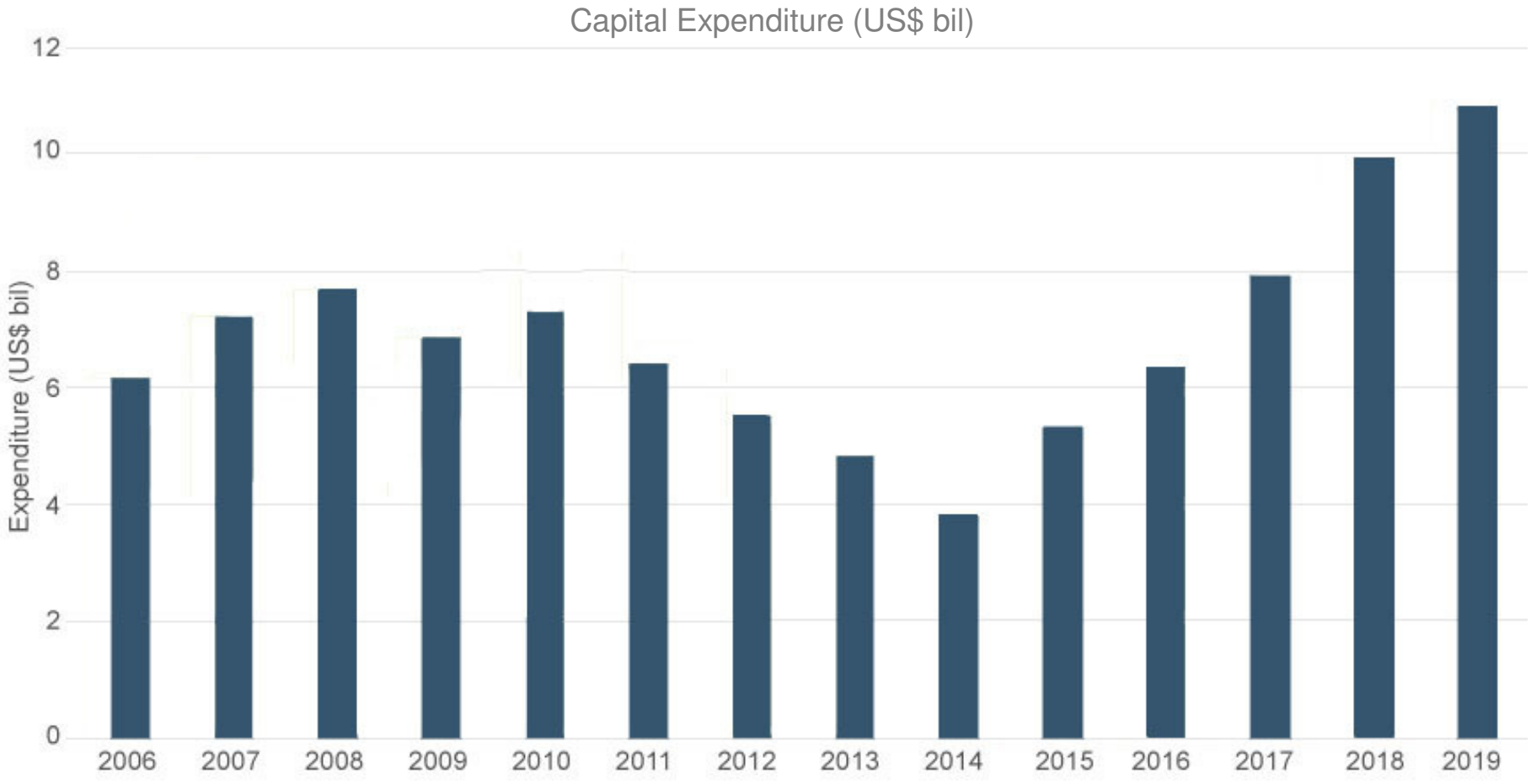
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Group Outlook

Group outlook

- Cautiously optimistic of a recovery of water industry amidst a weaker oil price environment and mixed global economic outlook.
- First half is likely to be slow, but expect a pick-up in the second half. There may also be some opportunities in asset divestment during the year.
- Actively pursuing opportunities for municipal and industrial water projects in the Middle East, Africa, Asia and the Americas.
- Leverage water and power expertise to pursue infrastructure development projects in Africa and Asia.

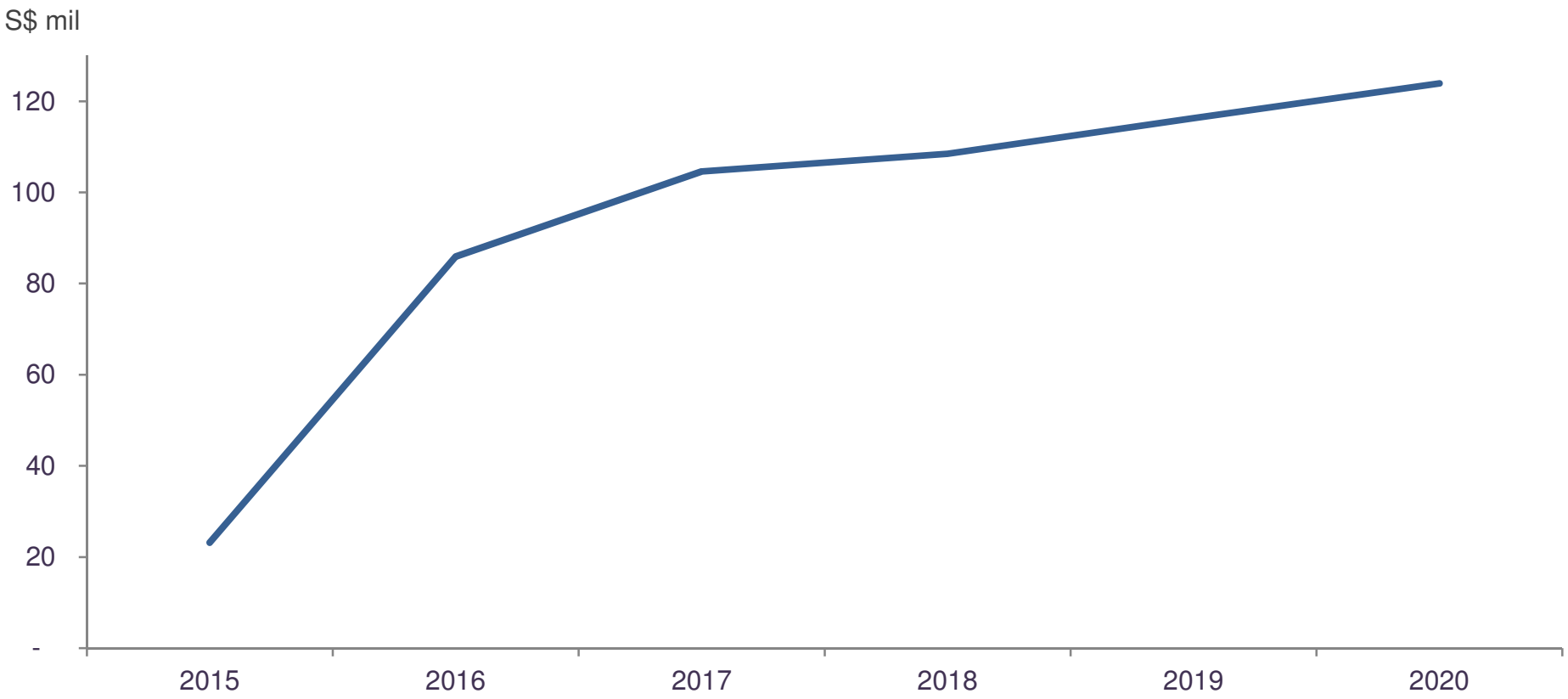
Global desalination market is expected to rebound in 2015



Source: Desaldata Webinar Oct 2014

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Recurring gross operating income



Note:

1. Estimates based only on existing portfolio and do not include any potential projects.
2. O&M, asset returns and membrane sales for existing plants in Singapore, China and Algeria, including Tuaspring, Magtaa, and Dahej.
3. Gross operating income is approximately EBITDA.
4. Actual results may vary due to external factors.

Thank You