



1 August 2007

## SIA Engineering Group posts 6.2% rise in 1<sup>st</sup> quarter profits

### HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 <sup>st</sup> Quarter		Year on Year
	<u>2007-08</u>	<u>2006-07</u>	<u>% Change</u>
• Revenue	\$270.1M	\$248.6M	+8.6
• Profit attributable to equity holders of the Company	\$70.5M	\$66.4M	+6.2
• Basic earnings per share	6.64 cents	6.38 cents	+4.1

### GROUP EARNINGS

The Group posted a profit attributable to equity holders of \$70.5 million in the first quarter of FY2007-08. Associated and joint venture companies continued to perform well, contributing a substantial 52.3% to the quarter's pre-tax profits.

Revenue grew \$21.5 million (+8.6%) to \$270.1 million. Expenditure increased by a higher rate of 11.8% mainly due to higher staff and material costs. This resulted in a 11.8% decrease in operating profit to \$29.2 million.

The increase in revenue in the first quarter of FY2007-08 was generated from all core activities of the Group. Airframe Maintenance and Component Overhaul revenue grew by 7.8% from increased workload, while Line Maintenance revenue increased by 10.4% with more flights handled. With increased business from existing customers, Fleet Management Programme revenue increased by 8.7%.

Compared to the same quarter last year, staff costs were higher mainly because of an under-provision in the profit sharing bonus in the previous year. Material costs were in line with higher operating revenue.

Associated and joint venture companies continued their strong contribution to Group earnings as share of profits increased by 25.7% or \$8.3 million to \$40.6 million. As a result, profit before taxation improved by \$3.2 million to \$77.7 million, an increase of 4.3% over the corresponding period last year.

Note: The SIAEC Group's unaudited financial results for the first quarter ended 30 June 2007 were announced on 1 August 2007. A summary of the financial statistics is shown in Annex A. (All monetary figures are in Singapore Dollars.) The Company refers to SIA Engineering Company Limited. The Group comprises the Company, its subsidiaries, associated and joint venture companies.)

Profit attributable to equity holders of the Company was \$70.5 million, an increase of 6.2% or \$4.1 million over last year. Basic earnings per share increased by 4.1% to 6.64 cents.

### **GROUP FINANCIAL POSITION (as at 30 June 2007)**

Equity attributable to equity holders of the Company increased to \$1,077.5 million as at 30 June 2007, \$80.4 million higher than as at 31 March 2007. As at 30 June 2007, total number of shares issued was 1,063.0 million.

Total assets increased by \$109.5 million (8.3%) to \$1,424.5 million. Net asset value per share was 101.4 cents, an increase of 7.5 cents (8.0%).

### **OUTLOOK**

The demand for aircraft maintenance, repair and overhaul (MRO) services is expected to remain strong for the rest of the financial year, although rates will remain under pressure due to increased competition. The Group expects its joint ventures to continue their contribution to its performance. Going forward, the Company aims to grow its Fleet Management Programme and freighter conversion businesses and expand its customer base, especially in Asia Pacific. The Company is also gearing up for the A380 MRO business with its custom-built hangar scheduled to be completed in early 2008.

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(For the complete first quarter 2007-08 financial statements, please refer to our SGXNET Filing or the Investor Relations page of our website at [www.siaec.com.sg](http://www.siaec.com.sg)).

**For more information, please contact:**

Chia Peck Yong  
Senior Manager Public Affairs  
SIA Engineering Company  
Tel: (65) 6541-5134  
Fax: (65) 6546-0679  
Mobile: 9863-0982  
E-mail: [peckyong\\_chia@singaporeair.com.sg](mailto:peckyong_chia@singaporeair.com.sg)

*Company Registration No: 198201025C*

## GROUP FINANCIAL STATISTICS <sup>R1</sup>

	<b>1<sup>st</sup> Otr 2007-08</b>	<b>1<sup>st</sup> Otr 2006-07</b>
<b>Financial Results (S\$ million)</b>		
Total revenue	270.1	248.6
Total expenditure	240.9	215.5
Operating profit	29.2	33.1
Non-operating items	3.3	4.4
Dividend income from long term investment	4.6	4.7
Share of profits of associated companies	29.6	25.4
Share of profits of joint venture companies	11.0	6.9
Profit before taxation	77.7	74.5
Profit attributable to equity holders of the Company	70.5	66.4
<b>Per Share Data</b>		
Earnings before tax (cents)	7.31	7.16
Earnings after tax (cents) - basic <sup>R2</sup>	6.64	6.38
- diluted <sup>R3</sup>	6.52	6.25
	<b>As at 30-Jun-07</b>	<b>As at 31-Mar-07</b>
<b>Financial Position (S\$ million)</b>		
Share capital	216.5	214.5
Reserves:		
General reserve	882.4	811.7
Foreign currency translation reserve	(42.9)	(47.1)
Share-based compensation reserve	21.5	18.0
Equity attributable to equity holders of the Company	1,077.5	997.1
Total assets	1,424.5	1,315.0
Net asset value (cents) <sup>R4</sup>	101.4	93.9

<sup>R1</sup> SIAEC Group's financial year is from 1 April to 31 March. Throughout this report, all figures are in Singapore Dollars, unless stated otherwise.

<sup>R2</sup> Earnings after tax per share (basic) is computed by dividing profit attributable to equity holders of the Company by the weighted average number of shares in issue.

<sup>R3</sup> Earnings after tax per share (diluted) is computed by dividing profit attributable to equity holders of the Company by the weighted average number of shares in issue after adjusting for the dilutive effect on the exercise of all outstanding share options granted to employees.

<sup>R4</sup> Net asset value per share is computed by dividing equity attributable to equity holders of the Company by the number of ordinary shares in issue.