

2<sup>nd</sup> February 2009

**SIA ENGINEERING POSTS GROUP PROFIT OF \$63.0M  
FOR 3<sup>rd</sup> QUARTER 2008-09**

**HIGHLIGHTS OF THE GROUP'S PERFORMANCE**

	9 months FY2008-09		3 <sup>rd</sup> Quarter FY2008-09	
	Apr - Dec 2008	Year-on-Year % Change	Oct - Dec 2008	Year-on-Year % Change
• Revenue	\$799.5M	+ 1.9	\$270.0M	+ 8.6
• Operating profit	\$85.9M	+ 4.2	\$29.4M	+ 53.9
• Share of profits from joint venture and associated companies	\$125.2M	+ 3.5	\$41.9M	+ 10.0
• Profit attributable to equity holders of the Company	\$195.1M	- 1.8	\$63.0M	+ 17.5
• Basic earnings per share	18.11 cts	- 2.5	5.84 cts	+ 17.0

**GROUP EARNINGS**

Year-to-date (April – December 2008)

SIAEC Group profit attributable to shareholders for the 9 months ending 31 December 2008 was \$195.1 million, a decrease of 1.8% or \$3.5 million over the same period last year.

Revenue increased by 1.9% or \$15.0 million to \$799.5 million due mainly to higher Line Maintenance revenue, with more flights handled, and a turnkey project to redesign, retrofit and overhaul a B747-400. This increase was partially offset by lower material and component overhaul work.

Expenditure grew by 1.6% or \$11.5 million to \$713.6 million mainly due to an increase in the cost of subcontract services as a result of specialised services required for the turnkey project. The increase was partially mitigated by lower material costs due to reduced usage.

Share of profits from joint venture and associated companies increased by 3.5% or \$4.2 million to \$125.2 million, contributing 55.9% to the Group's pre-tax profits.

Basic earnings per share was 18.11 cents for the 9 months ended 31 December 2008.

Note: The SIAEC Group's unaudited financial results for the nine months and third quarter ended 31 December 2008 were announced on 2 February 2009. 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, joint venture and associated companies.)

### Third Quarter FY2008-09

The Group's operating profit of \$29.4 million was 53.9% or \$10.3 million higher than a weaker third quarter last year. Expenditure in third quarter FY2007-08 reflected higher staff costs as it included a special 60<sup>th</sup> anniversary bonus paid to employees. Excluding this bonus, the operating profit would have been \$2.7 million higher than last year.

Revenue at \$270.0 million was 8.6% or \$21.4 million higher. The increase was due mainly to higher Line Maintenance revenue, with more flights handled, and a turnkey project to redesign, retrofit and overhaul a B747-400. Fleet Management Programme also contributed to the increase in revenue.

Expenditure rose 4.8% or \$11.1 million to \$240.6 million, reflecting the cost of specialised services required for the turnkey project and higher material usage, partially offset by lower staffing cost.

The Group achieved a profit attributable to equity holders of \$63.0 million, an increase of 17.5% or \$9.4 million compared to the corresponding quarter last year. Profits from associated and joint venture companies rose 10.0% or \$3.8 million to \$41.9 million.

Basic earnings per share increased by 17.0% to 5.84 cents.

### **GROUP FINANCIAL POSITION**

As at 31 December 2008, equity attributable to equity holders of the Company amounted to \$1,131.1 million, 0.5% or \$5.8 million higher than at 31 March 2008.

Total assets increased 1.2% or \$17.6 million to \$1,431.1 million. Net asset value per share increased slightly to 104.9 cents, 0.2% or 0.2 cents higher than at 31 March 2008. The total number of shares issued was 1,078.0 million as at 31 December 2008.

The Group has a cash balance of \$270.0 million as at 31 December 2008.

### **OUTLOOK**

The aviation industry has been significantly impacted by the deteriorating global financial and economic conditions. Travel demand has declined sharply, and airlines are trimming capacity to match demand. The reduction in aircraft utilization directly affects the Group's MRO business. We expect the Group's performance to be impacted until economic conditions improve.

In these challenging times, while actively seeking to broaden our customer base, the Group will continue to strengthen cost control measures and increase efforts to improve productivity.

Looking ahead, we remain committed to extending our global footprint, but given the current business uncertainties, will carefully consider the appropriate timing of attractive overseas opportunities to expand our markets.

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(For the complete third quarter 2008-09 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)).

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

	9months 2008-09	9 months 2007-08	3 <sup>rd</sup> Quarter 2008-09	3 <sup>rd</sup> Quarter 2007-08
<b>Financial Results (\$ million)</b>				
Total revenue	799.5	784.5	270.0	248.6
Total expenditure	713.6	702.1	240.6	229.5
Operating profit	85.9	82.4	29.4	19.1
Non-operating items	3.2	8.8	0.4	3.0
Dividend income from long term investment	9.5	9.5	2.3	1.0
Share of profits of joint venture companies	44.0	38.8	14.2	13.1
Share of profits of associated companies	81.2	82.2	27.7	25.0
Profit before taxation	223.8	221.7	74.0	61.2
Profit attributable to equity holders of the Company	195.1	198.6	63.0	53.6
<b>Per Share Data</b>				
Earnings before tax (cents)	20.78	20.73	6.86	5.69
Earnings after tax (cents) - basic <sup>R2</sup>	18.11	18.58	5.84	4.99
- diluted <sup>R3</sup>	17.99	18.27	5.83	4.91
	<b>As at</b>	<b>As at</b>		
	<b>31 Dec 2008</b>	<b>31 Mar 2008</b>		
<b>Financial Position (\$ million)</b>				
Share capital	255.6	245.0		
Reserves				
General reserve	906.3	937.5		
Foreign currency translation reserve	(66.6)	(88.4)		
Share-based compensation reserve	36.6	28.5		
Fair value reserve	(0.8)	2.7		
Equity attributable to equity holders of the Company	1,131.1	1,125.3		
Total assets	1,431.1	1,413.5		
Net asset value per share (cents) <sup>R4</sup>	104.9	104.7		

<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 ordinary 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 ordinary 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.