

**SIA ENGINEERING GROUP POSTS PROFIT OF \$95.6M  
FOR 1<sup>st</sup> HALF FY2014-15**

**HIGHLIGHTS OF THE GROUP'S PERFORMANCE**

	1 <sup>st</sup> Half FY2014-15		2 <sup>nd</sup> Quarter FY2014-15	
	Apr - Sep 2014	Year-on-Year % Change	Jul - Sep 2014	Year-on-Year % Change
• Revenue	579.3	- 0.7	285.2	- 3.0
• Operating profit	36.6	- 34.9	15.9	- 44.2
• Share of profits from associated and joint venture companies	59.7	- 32.6	29.1	- 36.2
• Profit attributable to owners of the parent	95.6	- 31.7	42.1	- 40.7
• Basic earnings per share	8.54 cts	- 32.2	3.75 cts	- 41.3

**GROUP EARNINGS**

First Half FY2014-15

SIAEC Group recorded a profit attributable to owners of the parent of \$95.6 million for the half year ended 30 September 2014.

Revenue decreased by \$4.0 million or 0.7%. Fleet management revenue increased while line maintenance revenue remained steady. However, the lower number and work content of aircraft checks resulted in lower airframe and component overhaul revenue for the half year. Expenditure increased by \$15.6 million or 3.0%. The high subcontract content of some contracts, including fleet management contracts which typically require part of the obligations to be outsourced, contributed to the increase in expenditure. Operating profit for the period of \$36.6 million was \$19.6 million or 34.9% lower compared to \$56.2 million in the previous year.

Share of profits from associated and joint venture companies at \$59.7 million was \$28.9 million lower than the same period last year. The decrease came mainly from the two engine repair and overhaul centers whose earnings fell \$25.0 million or 39.0%. Engine improvement modifications as well as an extension of the “on-wing” life of certain models and the accelerated retirement of the older engines resulted in a reduction of engine shop visits.

Basic earnings per share was 8.54 cents, a decrease of 32.2% from the corresponding period last year.

Note: The SIAEC Group's unaudited financial results for the second quarter and half year ended 30 September 2014 were announced on 4 November 2014. A summary of the financial statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Group comprises the Company and its subsidiary, associated and joint venture companies.)

## Second Quarter FY2014-15

Profit attributable to owners of the parent was \$42.1 million, a decrease of \$28.9 million or 40.7% compared to the same quarter last year.

Revenue decreased by \$8.7 million or 3.0% to \$285.2 million, with lower airframe and component overhaul revenue offset in part by higher fleet management revenue. The increase of \$3.9 million or 1.5% in expenditure to \$269.3 million this year was primarily attributable to higher subcontract costs. The operating profit for the quarter was \$15.9 million, \$12.6 million or 44.2 % lower than a year ago.

Share of profits from associated and joint venture companies was \$29.1 million, a decrease of \$16.5 million or 36.2% from the previous year. Contributions from the engine repair and overhaul centers at \$20.0 million was \$13.4 million or 40.1% lower than the same period last year.

Basic earnings per share was 3.75 cents for the current quarter.

## **GROUP FINANCIAL POSITION**

As at 30 September 2014, equity attributable to owners of the parent amounted to \$1,272.0 million, \$88.9 million or 6.5% lower than that as at 31 March 2014. The decrease was mainly due to payment of the final dividend in respect of FY2013-14 partially offset by profits earned for the period.

Total assets amounted to \$1,591.0 million, a decrease of \$116.1 million or 6.8% from 31 March 2014. The Group's cash balance was \$391.2 million as at 30 September 2014.

Net asset value per share as at 30 September 2014 was 113.5 cents.

## **DIVIDEND**

The Company has declared an interim dividend of 6 cents per share.

## **OUTLOOK**

The Group's performance continues to be affected by the decline in engine shop visits and heavy checks. Pressure on margins has not abated with rising business costs and intense competition. We are stepping up efforts to improve productivity to stay competitive in this overall challenging environment.

The Group stays the course in its pursuit of value-added collaborations with strategic partners. This will position us well to take advantage of long term growth opportunities in the region.

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(For the complete second quarter and first half FY2014-15 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

	1 <sup>st</sup> Half 2014-15	1 <sup>st</sup> Half 2013-14	2 <sup>nd</sup> Quarter 2014-15	2 <sup>nd</sup> Quarter 2013-14
<b>Financial Results (\$ million)</b>				
Total revenue	579.3	583.3	285.2	293.9
Total expenditure	542.7	527.1	269.3	265.4
Operating profit	36.6	56.2	15.9	28.5
Non-operating items	6.1	1.0	0.1	0.3
Dividend income from long term investment	4.3	8.2	2.0	3.6
Share of profits of associated companies	24.9	35.3	10.6	19.3
Share of profits of joint venture companies	34.8	53.3	18.5	26.3
Profit before taxation	106.7	154.0	47.1	78.0
Profit attributable to owners of the parent	95.6	140.0	42.1	71.0
<b>Per Share Data</b>				
Earnings before tax (cents)	9.53	13.86	4.20	7.01
Earnings after tax (cents) - basic <sup>R1</sup>	8.54	12.60	3.75	6.39
- diluted <sup>R2</sup>	8.49	12.50	3.73	6.34
	<b>As at 30 Sep 2014</b>	<b>As at 31 Mar 2014</b>		
<b>Financial Position (\$ million)</b>				
Share capital	408.8	387.3		
Reserves				
Share-based compensation reserve	19.7	23.9		
Foreign currency translation reserve	(122.6)	(127.7)		
Fair value reserve	(3.4)	(0.6)		
Equity transaction reserve	(2.4)	-		
General reserve	971.9	1,078.0		
Equity attributable to owners of the parent	1,272.0	1,360.9		
Total assets	1,591.0	1,707.1		
Net asset value per share (cents) <sup>R3</sup>	113.5	122.0		

<sup>R1</sup> Earnings after tax per share (basic) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue.

<sup>R2</sup> Earnings after tax per share (diluted) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding share options, performance shares and restricted shares granted to employees.

<sup>R3</sup> Net asset value per share is computed by dividing equity attributable to owners of the parent by the number of ordinary shares in issue.