



SIA ENGINEERING POSTS GROUP PROFIT OF \$70.8 M FOR 1st QUARTER 2010-11

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 st Quarter		Year-on-Year % Change
	<u>2010-11</u> \$ million	<u>2009-10</u> \$ million	
• Revenue	288.3	244.2	+ 18.1
• Operating profit	36.2	12.3	+ 194.3
• Share of profits from joint venture and associated companies	39.2	35.6	+ 10.1
• Profit attributable to shareholders of the Company	70.8	45.1	+ 57.0
• Basic earnings per share	6.54 cts	4.18 cts	+ 56.5

GROUP EARNINGS

In tandem with the recovery in the aviation industry, SIAEC Group recorded a profit attributable to shareholders of the Company of \$70.8 million, an increase of \$25.7 million or 57.0% from the same quarter last year.

Revenue rose \$44.1 million or 18.1% to \$288.3 million over the same period last year. This was primarily contributed by airframe maintenance and component overhaul work and fleet management programme revenue. Expenditure increased by a lower \$20.2 million or 8.7% to \$252.1 million mainly reflecting higher material and staff costs to support the increase in maintenance, repair and overhaul work.

The resulting operating profit of \$36.2 million was \$23.9 million higher compared to the first quarter last year.

Contributions from our associated and joint venture companies also increased \$3.6 million or 10.1% to \$39.2 million.

Basic earnings per share was 6.54 cents for the quarter ended 30 June 2010, an increase of 2.36 cents per share over the same period last year.

Note: The SIAEC Group's unaudited financial results for the first quarter ended 30 June 2010 were announced on 23 July 2010. 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, joint venture and associated companies.)

GROUP FINANCIAL POSITION

As at 30 June 2010, equity attributable to shareholders of the Company amounted to \$1,340.5 million, \$75.7 million or 6.0% higher than at 31 March 2010.

Total assets increased by \$105.3 million or 6.7% to \$1,666.3 million. Net asset value per share of 123.8 cents was 6.8 cents or 5.8% higher than at 31 March 2010. The total number of shares issued was 1,083.2 million as at 30 June 2010.

The Company has no borrowings and the cash balance of the Group as at 30 June 2010 was \$531.0 million, an increase of \$105.2 million or 24.7% compared to 31 March 2010.

OUTLOOK

With the recovery of the aviation industry, the growth of traffic at Changi and the increased utilisation of aircraft by our customers are expected to have a favourable impact on the Company's maintenance, repair and overhaul (MRO) business. The Company's joint ventures have also started to recover, albeit at a more gradual pace.

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(For the complete first quarter 2010-11 financial statements, please refer to our SGXNET Filing or the Investor Relations page of our website at www.siaec.com.sg).

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GROUP FINANCIAL STATISTICS

Financial Results (\$ million)	1st Quarter 2010-11	1st Quarter 2009-10
Total revenue	288.3	244.2
Total expenditure	252.1	231.9
Operating profit	36.2	12.3
Non-operating items	3.0	0.2
Dividend income from long term investment	4.1	3.9
Share of profits of joint venture companies	19.0	16.4
Share of profits of associated companies	20.2	19.2
Profit before taxation	82.5	52.0
Profit attributable to shareholders of the Company	70.8	45.1

Per Share Data

Earnings before tax (cents)	7.63	4.83
Earnings after tax (cents) - basic ^{R1}	6.54	4.18
- diluted ^{R2}	6.48	4.17

As at	As at
30 Jun 2010	31 Mar 2010

Financial Position (\$ million)

Share capital	267.3	262.9
Reserves		
General reserve	1,107.0	1,036.1
Share-based compensation reserve	46.2	45.4
Foreign currency translation reserve	(80.2)	(79.8)
Fair value reserve	0.2	0.2
Equity attributable to shareholders of the Company	1,340.5	1,264.8
Total assets	1,666.3	1,561.0
Net asset value per share (cents) ^{R3}	123.8	117.0

^{R1} Earnings after tax per share (basic) is computed by dividing profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue.

^{R2} Earnings after tax per share (diluted) is computed by dividing profit attributable to shareholders 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.

^{R3} Net asset value per share is computed by dividing equity attributable to shareholders of the Company by the number of ordinary shares in issue.