

**SIA ENGINEERING POSTS GROUP PROFIT OF \$58.7M
FOR 1st QUARTER 2008-09**

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 st Quarter		Year-on-Year % Change
	<u>2008-09</u> \$ million	<u>2007-08</u> \$ million	
• Revenue	250.2	270.1	- 7.4
• Operating profit	16.4	29.2	- 43.8
• Share of profits from joint venture and associated companies	43.6	40.6	+ 7.4
• Profit attributable to equity holders of the Company	58.7	70.5	- 16.7
• Basic earnings per share	5.46 cts	6.64 cts	- 17.8

GROUP EARNINGS

The Group achieved a profit attributable to equity holders of \$58.7 million, a decrease of 16.7% or \$11.8 million from the corresponding period last year. Associated and joint venture companies continued their strong performance with profits increasing by 7.4% or \$3.0 million to \$43.6 million. This represents a contribution of 66.6% to the Group's pre-tax profits.

Revenue declined \$19.9 million (-7.4%) to \$250.2 million. Airframe Maintenance and Component Overhaul revenue decreased by 17.6% due mainly to lower material usage and component work. The decrease was partially offset by higher Line Maintenance revenue with more flights handled and a turnkey project to redesign, retrofit and overhaul a B747-400.

Expenditure fell 2.9% or \$7.1 million to \$233.8 million mainly because of lower material costs, in line with the lower revenue. This was partially offset by the cost of subcontract services which rose as specialised services were needed for the turnkey project.

The resulting operating profit of \$16.4 million was 43.8% or \$12.8 million lower than the same quarter last year.

Note: The SIAEC Group's unaudited financial results for the first quarter ended 30 June 2008 were announced on 24 July 2008. 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.)

GROUP FINANCIAL POSITION

As at 30 June 2008, equity attributable to equity holders of the Company amounted to \$1,182.7 million, 5.1% or \$57.4 million higher than at 31 March 2008.

Total assets increased by 6.4% or \$90.7 million to \$1,504.2 million. Net asset value per share of 110.0 cents was 5.1% or 5.3 cents higher than at 31 March 2008. The total number of shares issued was 1,075.5 million as at 30 June 2008.

The Group has a cash balance of \$465.6 million as at 30 June 2008, an increase of 6.5% or \$28.3 million compared to 31 March 2008 mainly from profits made during the quarter.

OUTLOOK

In the face of a weak global economy and surging fuel prices, airlines are taking measures to cut operating costs. Against this backdrop, there will be pressure on rates and business volumes. Cost management will continue to receive attention.

The Company's joint ventures, forged with leading equipment manufacturers and strategic partners offering proprietary specialists services, are expected to provide their steady contributions to the Group's profitability.

Notwithstanding the prevailing environment, the Company remains committed to its growth strategy of establishing a presence beyond Singapore and broadening its capabilities. All of these will strengthen our international competitiveness and position us to capture a larger share of the global MRO market over the longer term.

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(For the complete first quarter 2008-09 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 ^{R1}

	1 st Quarter 2008-09	1 st Quarter 2007-08
Financial Results (\$ million)		
Total revenue	250.2	270.1
Total expenditure	233.8	240.9
Operating profit	16.4	29.2
Non-operating items	1.9	3.3
Dividend income from long term investment	3.7	4.6
Share of profits of associated companies	28.3	29.6
Share of profits of joint venture companies	15.3	11.0
Profit before taxation	65.6	77.7
Profit attributable to equity holders of the Company	58.7	70.5
Per Share Data		
Earnings before tax (cents)	6.10	7.31
Earnings after tax (cents) - basic ^{R2}	5.46	6.64
- diluted ^{R3}	5.41	6.52
	As at	As at
	30 Jun 2008	31 Mar 2008
Financial Position (\$ million)		
Share capital	247.8	245.0
Reserves		
General reserve	996.2	937.5
Foreign currency translation reserve	(96.3)	(88.4)
Share-based compensation reserve	32.1	28.5
Fair value reserve	2.9	2.7
Equity attributable to equity holders of the Company	1,182.7	1,125.3
Total assets	1,504.2	1,413.5
Net asset value per share (cents) ^{R4}	110.0	104.7

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

^{R2} 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.

^{R3} 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.

^{R4} 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.