



## SIA ENGINEERING GROUP POSTS PROFIT OF \$137.2M FOR 1<sup>st</sup> HALF 2012-13

### HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 <sup>st</sup> Half FY2012-13		2 <sup>nd</sup> Quarter FY2012-13	
	Apr - Sep 2012	Year-on-Year % Change	Jul - Sep 2012	Year-on-Year % Change
• Revenue	\$585.0M	+ 6.4	\$284.5M	+ 4.4
• Operating profit	\$66.0M	- 3.9	\$31.6M	- 7.1
• Share of profits from joint venture and associated companies	\$78.8M	+ 1.4	\$38.8M	- 4.2
• Profit attributable to owners of the parent	\$137.2M	- 1.5	\$67.1M	- 5.8
• Basic earnings per share	12.47 cts	- 2.0	6.09 cts	- 6.3

### GROUP EARNINGS

#### First Half FY2012-13

SIAEC Group recorded a profit attributable to owners of the parent of \$137.2 million for the first half ended 30 September 2012, a decrease of \$2.1 million or 1.5%. Profit in the same period last year included a write-back of tax provision of \$3.1 million. Share of profits from associated and joint venture companies increased \$1.1 million or 1.4% to \$78.8 million, and accounted for 51.0% of the Group's pre-tax profits.

Revenue increased \$35.0 million or 6.4% to \$585.0 million. This was primarily attributable to revenue from materials, fleet management programme and line maintenance. Expenditure, at \$519.0 million, increased \$37.7 million or 7.8% mainly due to higher material cost, exchange loss, and higher subcontract and staff costs incurred to support the increase in workload.

Operating profit decreased \$2.7 million or 3.9% to \$66.0 million. Performance for the current period was impacted by an exchange loss of \$3.7 million compared to an exchange gain of \$8.6 million in the last year.

Basic earnings per share was 12.47 cents for the first half of this financial year.

Note: The SIAEC Group's unaudited financial results for the second quarter and half year ended 30 September 2012 were announced on 30 October 2012. 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.)

## Second Quarter FY2012-13

Profit attributable to owners of the parent was \$4.1 million or 5.8% lower at \$67.1 million in the second quarter. Profit in the corresponding quarter last year included a write-back of tax provision of \$3.1 million. Share of profits from associated and joint venture companies declined by \$1.7 million or 4.2% to \$38.8 million.

The Group's operating profit decreased \$2.4 million or 7.1% to \$31.6 million. Revenue was \$12.1 million or 4.4% higher and expenditure increased \$14.5 million or 6.1%. Performance in the current quarter was impacted by an exchange loss of \$3.5 million compared to an exchange gain of \$7.1 million a year ago.

Basic earnings per share was 6.09 cents for the current quarter.

## **GROUP FINANCIAL POSITION**

Equity attributable to owners of the parent decreased by \$26.9 million or 2.1% to \$1,227.4 million as at 30 September 2012, mainly due to the payment of the final dividend in respect of FY2011-12, partially offset by profit earned for the period.

The Company has no borrowings and the Group's cash balance stood at \$431.6 million as at 30 September 2012. Total assets amounted to \$1,545.3 million, after payment of the final dividend in August 2012. Net asset value per share as at 30 September 2012 was 111.4 cents.

## **DIVIDEND**

To achieve a better balance between the interim and final dividends, the Company has declared a higher interim dividend of 7 cents per share, an increase of 1 cent per share from the previous year.

## **OUTLOOK**

Demand for the Group's core businesses is expected to be sustained in the near term. However, the operating environment remains challenging as global economic uncertainties continue to impact the aviation industry.

Vigilance in cost control and productivity improvements will be maintained. With a diversified portfolio, the Group is well placed to take advantage of growth opportunities in the region.

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(For the complete second quarter and first half FY2012-13 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 2012-13	1 <sup>st</sup> Half 2011-12	2 <sup>nd</sup> Quarter 2012-13	2 <sup>nd</sup> Quarter 2011-12
<b>Financial Results (\$ million)</b>				
Total revenue	585.0	550.0	284.5	272.4
Total expenditure	519.0	481.3	252.9	238.4
Operating profit	66.0	68.7	31.6	34.0
Non-operating items	0.9	2.1	0.5	0.3
Dividend income from long term investment	8.9	6.7	4.9	3.2
Share of profits of joint venture companies	47.8	33.5	22.6	17.0
Share of profits of associated companies	31.0	44.2	16.2	23.5
Profit before taxation	154.6	155.2	75.8	78.0
Profit attributable to owners of the parent	137.2	139.3	67.1	71.2
<b>Per Share Data</b>				
Earnings before tax (cents)	14.05	14.18	6.88	7.12
Earnings after tax (cents) - basic <sup>R1</sup>	12.47	12.73	6.09	6.50
- diluted <sup>R2</sup>	12.37	12.61	6.04	6.44
	<b>As at</b>	<b>As at</b>		
	<b>30 Sep 2012</b>	<b>31 Mar 2012</b>		
<b>Financial Position (\$ million)</b>				
Share capital	329.5	317.3		
Reserves				
Share-based compensation reserve	34.7	38.2		
Foreign currency translation reserve	(141.2)	(129.2)		
Fair value reserve	4.5	(0.9)		
General reserve	999.9	1,028.9		
Equity attributable to owners of the parent	1,227.4	1,254.3		
Total assets	1,545.3	1,599.3		
Net asset value per share (cents) <sup>R3</sup>	111.4	114.3		

<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 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.