



SIA ENGINEERING GROUP PROFIT UP 29.3% TO \$137.3 M FOR 1st HALF 2010-11

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 st Half FY2010-11		2 nd Quarter FY2010-11	
	Apr - Sep 2010	Year-on-Year % Change	Jul - Sep 2010	Year-on-Year % Change
• Revenue	\$565.4M	+ 14.8	\$277.1M	+ 11.7
• Operating profit	\$70.6M	+ 48.9	\$34.4M	- 2.0
• Share of profits from joint venture and associated companies	\$77.0M	+ 13.9	\$37.8M	+ 18.1
• Profit attributable to shareholders of the Company	\$137.3M	+ 29.3	\$66.5M	+ 8.8
• Basic earnings per share	12.66 cts	+ 28.7	6.11 cts	+ 8.0

GROUP EARNINGS

First Half FY2010-11

SIAEC Group achieved a profit attributable to shareholders of the Company of \$137.3 million, which was \$31.1 million or 29.3% higher than the corresponding period last year.

Revenue of \$565.4 million increased \$73.1 million or 14.8% over the same period last year, mainly attributable to higher airframe and component overhaul work, fleet management programme revenue and material usage. The growth in fleet management was mainly contributed by a larger fleet size of existing customers and the addition of new customers.

Expenditure increased \$49.9 million or 11.2% to \$494.8 million, mainly from higher staff, material and subcontract costs to support the increase in workload.

The resulting operating profit of \$70.6 million was \$23.2 million or 48.9% higher than the same period last year.

Associated and joint venture companies also performed better with profits increasing by \$9.4 million or 13.9% to \$77.0 million. This represents a contribution of 48.6% to the Group's pre-tax profits.

Basic earnings per share was 28.7% higher at 12.66 cents for the half year ended 30 September 2010.

Note: The SIAEC Group's unaudited financial results for the second quarter and half year ended 30 September 2010 were announced on 2 November 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.)

Second Quarter FY2010-11

The Group achieved a profit attributable to shareholders of the Company of \$66.5 million, \$5.4 million or 8.8% higher than the corresponding quarter last year.

Share of profits from associated and joint venture companies increased \$5.8 million or 18.1% to \$37.8 million. This represents a contribution of 49.7% to the Group's pre-tax profits.

The Group posted an operating profit of \$34.4 million for the second quarter, a decline of \$0.7 million or 2.0% compared to the same quarter last year, which had the benefit of jobs credit.

Revenue rose \$29.0 million or 11.7% to \$277.1 million. This was mainly due to an increase in airframe and component overhaul work, fleet management programme revenue and material usage.

Expenditure saw an increase of \$29.7 million or 13.9% to \$242.7 million, mainly caused by higher subcontract, staff and material costs.

Basic earnings per share increased 8.0% to 6.11 cents.

GROUP FINANCIAL POSITION

After a payment of \$141.1 million final dividend for FY 2009-10 during the quarter, equity attributable to shareholders of the Company as at 30 September 2010 was \$1,253.4 million, a decrease of \$11.4 million or 0.9% compared to 31 March 2010.

As a consequence, total assets decreased \$12.3 million or 0.8% to \$1,548.7 million. Net asset value per share of 115.2 cents was 1.8 cents or 1.5% lower than at 31 March 2010. The total number of shares issued was 1,088.1 million as at 30 September 2010.

The Company has no borrowings and the cash balance of the Group as at 30 September 2010 amounted to \$406.7 million.

DIVIDEND

The Company has declared an interim dividend of 6.0 cents per share (tax exempt one-tier) for the half year ended 30 September 2010, an increase of 1.0 cent per share over last year's interim dividend.

OUTLOOK

Given the strong performance in the first half, the Group's performance in the second half is expected to moderate.

The Group will continue to strengthen its competitiveness through new service offerings and strategic collaborations to take advantage of the long-term growth in the aviation industry.

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(For the complete second quarter and first half FY2010-11 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

	1 st Half 2010-11	1 st Half 2009-10	2 nd Quarter 2010-11	2 nd Quarter 2009-10
Financial Results (\$ million)				
Total revenue	565.4	492.3	277.1	248.1
Total expenditure	494.8	444.9	242.7	213.0
Operating profit	70.6	47.4	34.4	35.1
Non-operating items	3.5	0.5	0.5	0.3
Dividend income from long term investment	7.4	7.8	3.3	3.9
Share of profits of joint venture companies	38.7	29.0	19.7	12.6
Share of profits of associated companies	38.3	38.6	18.1	19.4
Profit before taxation	158.5	123.3	76.0	71.3
Profit attributable to shareholders of the Company	137.3	106.2	66.5	61.1
Per Share Data				
Earnings before tax (cents)	14.62	11.43	6.99	6.60
Earnings after tax (cents) - basic ^{R1}	12.66	9.84	6.11	5.66
- diluted ^{R2}	12.52	9.80	6.04	5.63
	As at 30 Sep 2010	As at 31 Mar 2010		
Financial Position (\$ million)				
Share capital	285.4	262.9		
Reserves				
Share-based compensation reserve	41.6	45.4		
Foreign currency translation reserve	(109.5)	(79.8)		
Fair value reserve	3.4	0.2		
General reserve	1,032.5	1,036.1		
Equity attributable to shareholders of the Company	1,253.4	1,264.8		
Total assets	1,548.7	1,561.0		
Net asset value per share (cents) ^{R3}	115.2	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.			