

**SIA ENGINEERING POSTS GROUP PROFIT OF \$132.1M
FOR 1st HALF 2008-09**

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 st Half FY2008-09		2 nd Quarter FY2008-09	
	Apr - Sep 2008	Year-on-Year % Change	Jul - Sep 2008	Year-on-Year % Change
• Revenue	\$529.5M	- 1.2	\$279.3M	+ 5.1
• Operating profit	\$56.5M	- 10.7	\$40.1M	+ 17.6
• Share of profits from joint venture and associated companies	\$83.3M	+ 0.5	\$39.7M	- 6.1
• Profit attributable to equity holders of the Company	\$132.1M	- 8.9	\$73.4M	- 1.5
• Basic earnings per share	12.27 cts	- 9.7	6.80 cts	- 2.2
• Interim dividend per share	5.0 cts	+ 25.0	-	-

GROUP EARNINGS

First Half FY2008-09

SIAEC Group profit attributable to shareholders for the 6 months was \$132.1 million, a decrease of 8.9% or \$12.9 million over the same period last year.

Revenue declined 1.2% or \$6.4 million to \$529.5 million due mainly to lower material usage and component overhaul work. This decrease was partially mitigated by an increase in Line Maintenance revenue, with more flights handled, and a turnkey project to redesign, retrofit and overhaul a B747-400.

Expenditure rose slightly by \$0.4 million to \$473.0 million. Material costs were lower due to reduced usage. The cost of subcontract services increased as a result of specialised services required for the turnkey project, and higher staffing costs due to wage adjustments and headcount in a new subsidiary.

Although the operating profit improved in the 2nd Quarter, the operating profit for the 6 months decreased 10.7% to \$56.5 million.

Joint venture and associated companies contributed \$83.3 million to Group earnings. This represents 55.6% of the Group's pre-tax profits.

Basic earnings per share was 12.27 cents for the 6 months ended 30 September 2008.

Note: The SIAEC Group's unaudited financial results for the half year and second quarter ended 30 September 2008 were announced on 3 November 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.)

Second Quarter FY2008-09

Revenue increased \$13.5 million (+5.1%) to \$279.3 million due mainly to higher Line Maintenance revenue, with more flights handled, and a turnkey project to redesign, retrofit and overhaul a B747-400. The increase was partially offset by lower material usage and component overhaul work.

Expenditure rose 3.2% or \$7.5 million to \$239.2 million, reflecting the cost of specialised services required for the turnkey project.

The resulting operating profit of \$40.1 million was 17.6% or \$6.0 million higher than the same quarter last year.

The Group achieved a profit attributable to equity holders of \$73.4 million, a decrease of 1.5% or \$1.1 million from the corresponding period last year. Profits from associated and joint venture companies decreased 6.1% or \$2.6 million to \$39.7 million.

The basic earnings per share was 6.80 cents.

GROUP FINANCIAL POSITION

As at 30 September 2008, equity attributable to equity holders of the Company amounted to \$1,112.7 million, 1.1% or \$12.6 million lower than at 31 March 2008.

Total assets decreased 1.1% or \$15.4 million to \$1,398.1 million. Net asset value per share of 103.2 cents was 1.4% or 1.5 cents lower than at 31 March 2008.

The Group has a healthy cash balance of \$280.5 million as at 30 September 2008, after the payment of \$172.7 million final dividend for FY 2007-08 during the quarter.

DIVIDENDS

The Company has declared an interim dividend of 5.0 cents per share (tax exempt one-tier) for the half year ended 30 September 2008, an increase of 1.0 cent per share over last year.

OUTLOOK

The current global financial and economic conditions are impacting airlines. This affects the entire MRO business including our Line and Base Maintenance operations and other activities. Management will continue to exercise tight cost control and look for ways to improve productivity.

Our cluster of twenty-two subsidiary, joint venture and associated companies, formed in partnership with leading equipment manufacturers and proprietary specialists, will continue to contribute to Group profitability.

Looking ahead, while we will progress with caution, the Company remains committed to strengthening its presence in Singapore and beyond to enhance its international competitiveness.

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(For the complete second 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 Half 2008-09	1 st Half 2007-08	2 nd Quarter 2008-09	2 nd Quarter 2007-08
Financial Results (\$ million)				
Total revenue	529.5	535.9	279.3	265.8
Total expenditure	473.0	472.6	239.2	231.7
Operating profit	56.5	63.3	40.1	34.1
Non-operating items	2.8	5.8	0.9	2.5
Dividend income from long term investment	7.2	8.5	3.5	3.9
Share of profits of joint venture companies	29.8	25.7	14.5	14.7
Share of profits of associated companies	53.5	57.2	25.2	27.6
Profit before taxation	149.8	160.5	84.2	82.8
Profit attributable to equity holders of the Company	132.1	145.0	73.4	74.5
Per Share Data				
Earnings before tax (cents)	13.92	15.04	7.82	7.73
Earnings after tax (cents) - basic ^{R2}	12.27	13.59	6.80	6.95
- diluted ^{R3}	12.17	13.36	6.76	6.83
	As at 30 Sep 2008	As at 31 Mar 2008		
Financial Position (\$ million)				
Share capital	255.3	245.0		
Reserves				
General reserve	897.2	937.5		
Foreign currency translation reserve	(72.3)	(88.4)		
Share-based compensation reserve	33.5	28.5		
Fair value reserve	(1.0)	2.7		
Equity attributable to equity holders of the Company	1,112.7	1,125.3		
Total assets	1,398.1	1,413.5		
Net asset value per share (cents) ^{R4}	103.2	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.