



## **SIA Engineering Establishes Philippines Base, Forms Joint Venture with Cebu Pacific To Capture Increased MRO Work Flowing Into Asia**

- *Three hangars at Clark will provide maintenance, repair and overhaul (MRO) services for narrow and wide-body aircraft*
- *Clark facility will develop and enlarge local talent pool of MRO management and technical expertise in the Philippines*

**SINGAPORE, 4 April 2008** - Mainboard-listed **SIA Engineering Company Limited** (SIAEC) today announced it has signed a joint venture agreement with Cebu Pacific Air to set up an aircraft heavy maintenance facility at Clark International Airport in the Philippines.

The joint venture plans to construct three hangars over the next three years to provide heavy and light maintenance checks to international airlines around the world. The Clark hangars will augment SIAEC's extensive facilities in Singapore and provide the Company with the increased capacity and competitive cost structure to capture a larger share of the global MRO outsourcing that is being directed into Asia.

SIAEC has a 65-percent stake in the new venture, the Company's 21<sup>st</sup> in its stable of joint ventures forged with airlines and original equipment manufacturers. Cebu Pacific Air holds the remaining 35 percent share. The initial investment capital for the construction of the three hangars, purchase of tools and equipment, and working capital is estimated to be S\$81 million.

Mr William Tan, President & Chief Executive Officer of SIAEC, said: "This second joint venture with Cebu Pacific is testimony to the robust relationship and operational synergies between the two companies. With our confidence in the continuing growth and success of Cebu Pacific Air, we are delighted to further deepen our partnership with the joint investment at Clark International Airport.

"The hangars in Clark will complement our maintenance base in Singapore to provide world-class MRO services to our global customer base. We plan to invest strongly in the infrastructure and workforce to create a formidable and competitive MRO Centre of Excellence in the Philippines, which will create up to 1,100 new high value-adding jobs in Clark. We are confident that the high level of English proficiency and the diligence of the labour force in the Philippines will enable the operations to become a success", Mr Tan added.

Mr Lance Gokongwei, President & Chief Executive Officer of Cebu Pacific Air, said: "The development of a premier MRO facility in Clark will bring forth a new wave of aerospace activities into the Philippines. With SIA Engineering Company's MRO expertise, we will certainly boost the local talent pool of aerospace management and engineering personnel. In addition, with a heavy maintenance facility right at our doorstep, Cebu Pacific Air's despatch reliability and engineering quality will be greatly enhanced."

The transaction is not expected to have a material impact on the Company's financial performance in FY2007/08. None of the Directors of SIAEC has any interest, direct or indirect, in the transaction.

### **About SIA Engineering Company**

(Company Registration No. 198201025C)

[www.siaec.com.sg](http://www.siaec.com.sg)

SIA Engineering Company (SIAEC) is a major provider of aircraft maintenance, repair, and overhaul services in Asia Pacific. The Company has a client base of more than 80 international carriers and aerospace equipment manufacturers. It provides line maintenance services at Singapore Changi Airport for more than 60 international carriers, as well as airframe and component overhaul on some of the most advanced and widely used commercial aircraft in the world. The Company achieved a revenue of S\$977 million in FY2006/2007.

21 joint ventures with original equipment manufacturers and strategic partners in Singapore, the Philippines, Australia, Ireland, Hong Kong, Taiwan and Indonesia increase the depth and breadth of the Company's comprehensive service offerings. The combined revenue of SIAEC's joint ventures is approximately S\$2.4 billion in FY2006/2007, with 71 percent derived from airlines outside the Singapore Airlines Group.

SIAEC has approvals from 25 national aviation regulatory authorities to provide MRO services for aircraft registered in the U.S., Europe and Japan, among others.

### **About Cebu Pacific Air**

Cebu Pacific Air (CEB), the Philippines' domestic market leader and leading airline to the ASEAN region, entered the market on March 1996 and pioneered the "low fare, great value" strategy in the local aviation industry. CEB launched its International Operations on November 2001 and now flies to Bangkok, Hong Kong, Jakarta, Kuala Lumpur, Singapore, Incheon, Pusan, Taipei, Shanghai, Xiamen, Guangzhou and Macau. CEB starts flying to Hanoi and Ho Chi Minh in April and to Kaohsiung in June.

CEB operates a fleet of 17 aircraft with 15 A320/A319 and 2 ATR 72. CEB expects to have a fleet of 25 aircraft by the end of 2008 with 19 A320/A319 and 6 ATR 72 and will continue to have the youngest fleet in the Philippines. CEB continues to offer the 'Go' fares – providing the lowest year-round fares in all its domestic and international destinations. CEB remains the pioneer in creative pricing strategies as it manages to offer the lowest fare in every route it operates.

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