



7 May 2008

SIA ENGINEERING RECORDS REVENUE OF \$1 BILLION FOR FY 2007-08

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	FY2007-08		4 th Quarter FY2007-08	
	Amount \$ million	Year-on-Year % Change	Amount \$ million	Year-on-Year % Change
• Revenue	1,009.6	+ 3.3	225.1	- 5.7
• Operating profit	102.9	+ 0.9	20.5	+ 166.2
• Share of profits from joint venture and associated companies	157.8	+ 13.1	36.8	- 7.3
• Profit attributable to equity holders of the Company	253.8	+ 4.8	55.2	+ 14.0
• Basic earnings per share	23.71 cts	+ 3.2	5.14 cts	+ 12.7
• Dividend per share	20.0 cts	+ 66.7		

GROUP EARNINGS

Financial Year 2007-08

The Group achieved a profit attributable to equity holders of \$253.8 million, an increase of 4.8% or \$11.7 million over last year. Associated and joint venture companies continued their strong performance with profits increasing by 13.1% or \$18.3 million to \$157.8 million. This represents a contribution of 55.3% to the Group's pre-tax profits.

Revenue exceeded \$1 billion for the first time, growing 3.3% or \$32.2 million to \$1,009.6 million. Line Maintenance revenue grew by 8.4% with more flights handled. Airframe Maintenance and Component Overhaul revenue increased by 1.9% from higher workload. These increases were partially offset by a decline of \$5.0 million in Fleet Management revenue. Excluding one-off items in FY2006-07, Fleet Management revenue grew 6% from higher business volume.

Expenditure rose 3.6% or \$31.3 million to \$906.7 million mainly due to higher staff costs, which is attributable to an increase in staffing in the Company and subsidiaries to support growth, and expensing of share options.

Note: The SIAEC Group's audited financial results for the financial year ended 31 March 2008 were announced on 7 May 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.)

The resulting operating profit of \$102.9 million was 0.9% or \$0.9 million higher than last year.

Basic earnings per share increased by 3.2% to 23.71 cents.

Fourth Quarter FY2007-08

The Group achieved a profit attributable to equity holders of \$55.2 million in the fourth quarter of FY2007-08, an increase of 14.0% or \$6.8 million over the corresponding period last year.

Revenue at \$225.1 million was 5.7% or \$13.6 million lower. Line maintenance revenue increased by 5.9% with more flights handled but Airframe Maintenance and Component Overhaul revenue declined 11.4% due to lower workload in the quarter and the impact of a weaker US dollar.

Expenditure decreased by 11.4% or \$26.4 million mainly due to lower provision for profit-sharing bonus and lower material costs.

As a result, operating profit rose 166.2% or \$12.8 million to \$20.5 million.

Basic earnings per share increased by 12.7% to 5.14 cents.

GROUP FINANCIAL POSITION

As at 31 March 2008, equity attributable to equity holders of the Company amounted to \$1,125.3 million, 12.9% or \$128.2 million higher than at 31 March 2007. Total assets increased by 7.5% or \$98.5 million to \$1,413.5 million. Net asset value per share of 104.7 cents was 11.5% or 10.8 cents higher than at 31 March 2007. The total number of shares issued was 1,074.3 million as at 31 March 2008.

SUBSEQUENT EVENT

On 4 April 2008, the Company 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 Company will own 65% of this subsidiary, with Cebu Pacific Air holding the remaining 35%.

DIVIDEND

The Board of SIAEC is recommending a final ordinary dividend of 16 cents per share (tax exempt one-tier). Together with the interim dividend of 4 cents per share (tax exempt one-tier) paid earlier, the total dividend payment for FY2007-08 will be 20 cents per share. This is an increase of 8 cents per share over the dividend paid in FY2006-07.

SIAEC believes that the higher dividend is in line with enhancing its capital structure and will not impact its financial flexibility.

Payment of the final dividend, which amounts to approximately \$171.9M, is subject to shareholders' approval at the Annual General Meeting on 18 July 2008. The dividend will be paid on 5 August 2008.

OUTLOOK

With steady traffic growth and strong demand for aircraft maintenance, repair and overhaul (MRO) services, the outlook for FY2008-09 is expected to remain favourable. The Company's heavy maintenance operations in Singapore will benefit from the 10% increase in hangar capacity upon completion of Hangar 6 in the second half of FY2008-09. This hangar will support maintenance on aircraft types up to the A380. In addition, the companies under the SIAEC Group, spread across 7 countries, are expected to continue their strong performance and contributions to the Group's profitability.

Prevailing global economic uncertainties, increasing competition and the weaker US dollar will continue to exert pressure on rates and margins.

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(For the complete FY2007-08 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}

	FY 2007-08	FY 2006-07	4 th Quarter 2007-08	4 th Quarter 2006-07
Financial Results (\$ million)				
Total revenue	1,009.6	977.4	225.1	238.7
Total expenditure	906.7	875.4	204.6	231.0
Operating profit	102.9	102.0	20.5	7.7
Non-operating items	11.1	14.0	2.3	3.2
Dividend income from long term investment	13.7	15.5	4.2	2.0
Share of profits of associated companies	107.0	106.1	24.8	29.4
Share of profits of joint venture companies	50.8	33.4	12.0	10.3
Profit before taxation	285.5	271.0	63.8	52.6
Profit attributable to equity holders of the Company	253.8	242.1	55.2	48.4
Per Share Data				
Earnings before tax (cents)	26.68	25.72	5.95	4.95
Earnings after tax (cents) - basic ^{R2}	23.71	22.97	5.14	4.56
- diluted ^{R3}	23.34	22.52	5.07	4.45
	As at	As at		
	31 Mar 2008	31 Mar 2007		
Financial Position (\$ million)				
Share capital	245.0	214.5		
Reserves				
General reserve	937.5	811.7		
Foreign currency translation reserve	(88.4)	(47.1)		
Share-based compensation reserve	28.5	18.0		
Fair value reserve ^{R4}	2.7	-		
Equity attributable to equity holders of the Company	1,125.3	997.1		
Total assets	1,413.5	1,315.0		
Net asset value per share (cents) ^{R5}	104.7	93.9		

^{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} During the year, the Group adopted hedge accounting under FRS 39: Financial Instruments – Recognition and Measurement. This resulted in the Group recognizing the effective portion of the hedging gain or loss in the fair value reserve and the ineffective portion in the profit and loss account.

^{R5} 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.