



SIA Engineering Company Signs \$300 million Services Agreement with SilkAir

SINGAPORE, 9 December 2010 - Mainboard-listed **SIA Engineering Company Limited** (SIAEC) is pleased to announce the renewal of its comprehensive Services Agreement with SilkAir.

The existing Services Agreement with SilkAir expires in 2010. The new agreement, firm for five years, covers a broad spectrum of maintenance, repair and overhaul (MRO) and fleet management services for the SilkAir fleet. The 5-year contract is expected to add \$300 million in labour revenue to SIAEC's order books.

Mr William Tan, Chief Executive Officer of SIAEC, said: "The renewal of the Services Agreement affirms the strong synergies and excellent commercial relationship with SilkAir, as we work closely to uphold its engineering excellence."

"SilkAir is a valued partner of SIAEC's fleet management programme (FMP), which has seen impressive growths in recent years and today, places SIAEC as one of the world's largest FMP providers. An expanding base of airlines is attracted by the integrated total care services offered under our FMP, which bundles MRO services with 24/7 fleet management support. Indeed, the economies of scale derived from our high-volume operations enable us to provide SilkAir with high despatch reliability and seamless technical support across our global network of line maintenance stations," Mr Tan added.

Mr Marvin Tan, Chief Executive of SilkAir, said: "Safety and reliability in our flight operations is a vital part of our mission at SilkAir and engineering support of the highest quality plays a key role in delivering this promise to our passengers. We are pleased to renew our services agreement with SIAEC and build on our mutually beneficial long-term relationship."

SIAEC's FMP business currently services 11 airlines with a fleet coverage of more than 200 aircraft, with 130 in service and the remaining to be delivered over the next 3 years. With more than half of the fleet operated by non-SIA airlines, spanning across Asia, Middle East, Australia and the United States, the Company is focused on growing the third-party content of its business and extending the global footprint of the SIAEC Group.

As the new Services Agreement is a renewal of the existing agreement, it is not expected to have a material impact on SIAEC's financial performance in FY2010/11. None of the Directors or executive officers of SIAEC has any interest, direct or indirect, in the transaction.



About SIA Engineering Company

(Company Registration No. 198201025C)

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 50 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\$1,006 million in FY2009/10.

25 ventures with original equipment manufacturers and strategic partners in Singapore, Vietnam, the Philippines, Australia, Ireland, United States, Hong Kong, Taiwan and Indonesia increase the depth and breadth of the Company's comprehensive service offerings. The revenue of SIAEC's ventures is approximately S\$2.6 billion in FY2009/10, with 81 percent derived from airlines outside the Singapore Airlines Group.

SIAEC has approvals from 23 national aviation regulatory authorities to provide MRO services for aircraft registered in the U.S., Europe and Japan, among others.

About SilkAir

A full service premium airline, SilkAir currently flies to 33 destinations across 11 countries and is the regional wing of Singapore Airlines. It will launch operations to its 34th destination, Pekanbaru, in February next year. This year, the airline was inducted into TTG Asia's Travel Hall of Fame following its 10th win as Best Regional Airline in the TTG Travel Awards 2009. SilkAir was also ranked among the Top 10 Airlines for Best Cabin Service Worldwide 2010 by Hong Kong-based online travel magazine, Smart Travel Asia. Last year, SilkAir was also voted Best Regional Airline (Southeast Asia) in the 2009 Skytrax World Airline Awards.

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