



SIA ENGINEERING COMPANY'S UNIONS AGREE ON NO-PAY LEAVE TO MANAGE SURPLUS MANNING CAPACITY

SIA Engineering Company (SIAEC) has reached agreement with its three unions, Air-Transport Executive Staff Union, SIA Engineering Company Engineers and Executives Union and Singapore Airlines Staff Union, for staff to take 1 or 2 days no-pay leave in each month from July 2009. Lower wage staff will take a lesser measure of ½ or 1 day to soften the impact on their take-home pay. The number of days of no-pay leave to be taken by staff will vary by divisions, in accordance with the number of surplus staff in each division.

This agreement on no-pay leave is in line with the various measures the Company is taking to manage the surplus manning levels and to reduce costs in response to the current weak business environment. It comes after the heels of a management wage cut announced earlier, taking effect from June 2009, with the Chief Executive Officer taking a 20% cut, and other management staff taking cuts of 10 to 14 percent. The Company's Board of Directors too have volunteered to waive 20 per cent of the fees payable for FY2008/09, after approval of these fees by shareholders at the coming Annual General Meeting on 24 July 2009.

To further manage the surplus manning capacity, staff will be sent for training, with help from the government-funded Skills Programme for Upgrading and Resilience (SPUR).

The total savings from the no-pay leave, wage cut and SPUR training add up to about \$1 million per month from July 2009.