

SIA Engineering Company and Sagem (Safran Group) Establishes Joint Venture for Avionics Components Maintenance, Repair and Overhaul

SINGAPORE, 16 June 2009 - SIA Engineering Company Limited (SIAEC) and Sagem (Safran Group) today announced they have signed an agreement to form an avionics maintenance, repair and overhaul (MRO) Joint Venture in Singapore. For this partnership, Sagem is acting through its new Safran Electronics division.

Under the agreement, SIAEC will hold a 49% equity shareholding in the joint venture (JV), with the remaining 51% owned by Sagem.

The Singapore-based JV will be a dedicated Centre of Excellence & OEM Warranty Repair Centre for avionics components in Asia. The facility will be able to provide faster and more cost-effective solutions and Avionic MRO Packages for airline customers and OEMs in the Asia-Pacific region.

This is the second partnership between SIAEC and Safran; the first one was with Messier Services Asia, a Safran Group subsidiary specialising in landing systems MRO.

SIAEC's Chief Executive Officer, Mr William Tan said: "Our first partnership with the Safran Group has taken off well, with Messier Services Asia's revenue increasing two and a half fold since 2000. We are delighted to partner Safran again, this time with its Sagem subsidiary. As the leading OEM for avionics components, Sagem's knowledge of the latest technology in avionics computers for new generation aircraft such as the Airbus A380, A350 and Boeing 787 will complement SIAEC's thrust to be at the leading edge of aircraft technology.

"The new JV will serve to strengthen SIAEC's avionics component capability to further support the growing fleet of aircraft under our Fleet Management Programme (FMP). As an integrated MRO supplier, the availability of an avionics MRO JV at our main base will enhance the efficiencies and cost-effectiveness of the total solutions we offer to our global FMP customers," Mr Tan added.

Sagem Chairman and CEO, Mr Jean-Lin Fournereaux, said: "We are very happy to partner SIAEC and to strengthen the cooperation between SIAEC and the Safran Group. This Joint Venture is a perfect example of the great interest we have to combine the know-how of an OEM and an airline-linked MRO to develop synergies. With this partnership, we will be able to offer to Asian airlines and OEMs better performance and much larger capability in avionic maintenance, repair and overhaul."

The transaction is not expected to have a material impact on the Company's financial performance in FY2009/10. None of the Directors of the Company 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 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\$1,045 million in FY2008/09.

24 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\$2.9 billion in FY2008/2009, 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 Sagem

www.sagem-ds.com

Sagem is a high-tech company in the Safran Group. It is a world or European leader in solutions and services in optronics, avionics, electronics and critical software for the civilian and military markets. Sagem is the European No. 1 and worldwide No.3 in INSs for aeronautic, naval and land applications. It is also the worldwide No.1 in helicopter flight controls and the European No.1 in optronics and tactical UAV systems.

Present across the globe via the Safran Group's international network, Sagem and its subsidiaries employ 6000 people in Europe, South East Asia and North America.

Sagem is the commercial name of the company Sagem Défense Sécurité.

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