



SIA ENGINEERING COMPANY SECURES EXTENSION OF FLEET MANAGEMENT CONTRACT FROM GULF AIR

SINGAPORE, 17 April 2009 - Mainboard-listed **SIA Engineering Company Limited (SIAEC)** today announced it has extended the coverage of a 3-year Fleet Management and Support Services contract the Company signed with Gulf Air three weeks ago.

The initial contract, signed on 26 March 2009, covered Gulf Air's fleet of 29 Airbuses, comprising 14 A320s, 6 A330s and 9 A340s.

At a signing ceremony today officiated by Mrs Lim Hwee Hua, Minister in the Prime Minister's Office and Second Minister for Transport and Finance, SIAEC and Gulf Air agreed to extend the contract to cover an additional four Airbus A330s, one A320 and increased scope of services. The incremental value of the contract extension amounts to US\$35 million, bringing the total value of the contracts with Gulf Air to US\$135 million over a 3-year period.

SIAEC's fleet management customer base comprises nine airlines with a total fleet size of 175 aircraft, out of which 111 are currently in service and the remainder scheduled for delivery within the next five years.

Minister Lim Hwee Hua said: "Today's signing ceremony is significant in more ways than one. Gulf Air's expanded partnership with SIAEC not only marks the increasing importance of our aerospace industry, but also shows the growing economic and strategic links between Singapore and the Middle East. I am indeed pleased to note that SIAEC is making inroads into the Middle East market."

Mr William Tan, Chief Executive Officer of SIAEC said: "We are delighted to assume a larger role in contributing to the engineering excellence of Gulf Air. Our partnership has started on an excellent footing and I'm confident our mutual compatibility will provide a strong foundation for us to work together and achieve mutual benefits."

"Gulf Air is our first fleet management programme (FMP) customer from the Middle East. We are pleased to forge a new frontier for our FMP footprint beyond Asia, Australia and the United States. The economies of scale from this enlarged network will benefit our customers and SIAEC", Mr Tan added.



“We believe that the contract extension with SIAEC will further boost our operational reliability, manage costs and establish a self-sufficient and robust aircraft maintenance system,” said Gulf Air Chairman of the Board of Directors Mr Talal Al Zain.

“This agreement will ensure that all our Airbus fleet – existing as well as those joining us in the near future as part of our fleet renewal and product-enhancement strategy – have immediate access to a comprehensive suite of engineering service.”

“Since work began, SIAEC have lived up to their long-standing reputation for professionalism and excellence in providing complete MRO services. We have established a very good working relationship with them and this contract extension, I am sure, will further strengthen our relationship. I look forward to realizing the benefits this partnership will bring to Gulf Air,” he said.

Gulf Air CEO Björn Näf commented, “I am confident that today’s signing is an important step forward in the realignment of Gulf Air that will stand us in good stead for the future.”

“As the national carrier of the Kingdom of Bahrain, Gulf Air’s long-term strategy is aligned with the Kingdoms Vision 2030. An important element of this is developing local talent. We are delighted that SIAEC has committed to transfer some of the skills and knowledge that they have acquired over the years to our engineers, technicians, planners, managers and support staff to help build and develop our workforce,” he concluded.

The transaction is not expected to have a material impact on SIAEC’s financial performance in FY2009/10. None of the Directors of SIAEC has any interest, direct or indirect, in the transaction.

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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\$1,010 million in FY2007/2008.

23 ventures with original equipment manufacturers and strategic partners in Singapore, the Philippines, Australia, Ireland, United States, Hong Kong, Taiwan, Indonesia and Vietnam increase the depth and breadth of the Company's comprehensive service offerings. The combined revenue of SIAEC's ventures is approximately S\$2.7 billion in FY2007/2008, with 75 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 Gulf Air

Founded in 1950, Gulf Air is the proud national carrier of the Kingdom of Bahrain. Having been operating for over half a Century, it ranks as one of the oldest airlines in the Middle East region. Though it continually strives to develop; its goal has remained unchanged - to maintain a constant commitment to the latest aviation technology and an adherence to traditional Arabian hospitality. It is currently owned by Bahrain Mumtalakat Holdings Company.

One of the prime motives of the carrier is to link Bahrain to the GCC as well as connect it to the rest of the world. The airline's network stretches from Europe to Asia, connecting 41 cities in 27 countries, with a current fleet consisting of 32 aircraft. Renown for its direct network to its non-stop flights schedules, Gulf Air covers the Middle East, the Americas, Africa and Asia-Pacific.

The airline's business strategy is to re-fleet itself over the next five years to further strengthen its presence and continue its aim to become the carrier of choice. It recently signed a deal with Boeing worth nearly US\$ 6 billion to purchase up to 24 Boeing 787 aircraft, and another deal with Airbus for 35 aircraft, including A320s and A330s.

Gulf Air is the Official Airline and Sponsor of the Gulf Air Bahrain Grand Prix 2009 and London based football club Queens Park Rangers.



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