



18 May 2001

## **SIA ENGINEERING POSTS FULL-YEAR PROFIT OF \$116 MILLION ON TURNOVER OF \$654 MILLION**

SINGAPORE – 18 May 2001 – Mainboard-listed SIA Engineering Company Limited (SIAEC), a leading provider of aircraft maintenance, repair and overhaul (MRO) services in Asia Pacific, today announced a 16% increase in turnover and 25% in net profit (excluding exceptional item).

For the fiscal year ended 31 March 2001, the Group chalked up \$654 million in turnover, an increase of 15% from \$567 million the previous year. Both of the Group's core business activities – (i) airframe and component overhaul and (ii) line maintenance posted double digit growth in revenue. Revenue from airframe and component overhaul grew 16% due to workload increase and revenue from line maintenance grew 14%, boosted by strong traffic growth at Singapore Changi Airport.

Expenditure increased 13% from \$480 million to \$540 million. The lower rate of increase in expenditure as compared to revenue growth is a result of continual productivity measures and streamlining of work processes.

The resulting operating profit of \$122 million is a significant \$25 million or 26% improvement over the last financial year.

Net profit attributable to shareholders for the Group (excluding exceptional item) increased by 12% to \$116 million despite the poor performance of our major associate company, Eagle Services Asia Pte Ltd (ESA). ESA's performance has improved since January 2001 and ESA expects improved results in the new financial year.

Based on the latest results, earnings per share on a fully diluted basis rose to 11.6 cents from 10.4 cents, while net tangible assets backing per share increased 6.8 cents to 46.6 cents. The Group maintains an outstanding return on average shareholders' funds of 26.8%.

The Directors have recommended a final dividend of 25 % or 2.5 cents per share less tax which will be paid out on 27 July 2001, making a total dividend of 40% or 4.0 cents per share less tax for FY2000/01. The payout ratio for FY2000/01 would be 26.5% and gross dividend yield would be 3.1%,

based on a share price of \$1.30.

Commenting on the full-year results, Mr William Tan, SIAEC's CEO said, "The strong growth in our airframe and line maintenance business during FY2000/01 contributed to earnings growth during this financial year."

"Moving forward, we have already increased our capability to perform heavy maintenance on new aircraft such as the B777 which will help boost our earnings growth in the current year. Our expansion into project and fleet technical management services, such as our Fleet Technical Management contract with DragonAir, will enhance our competitive strengths," he added.

On prospects for the rest of the year, Mr Tan said, "Barring unforeseen circumstances, the Company expects continued growth in profit after tax for FY2001/02."

To meet the future capacity demands as evidenced by its ability to secure long-term contracts, SIAEC has embarked on the construction of its third hangar which is expected to be completed by July 2001. Over the next few years, SIAEC plans to add two more hangars at Singapore Changi Airport.

The Company continues to be on the lookout for suitable offshore MRO facility investments that will fit into its overall growth strategy and complement the main base operations in Singapore.

### **About SIA Engineering Company**

SIA Engineering Company is a major provider of aircraft maintenance, repair and overhaul (MRO) services in Asia Pacific. The Company provides line maintenance services in Singapore Changi Airport to over 200 flights daily from more than 60 international carriers. It also provides airframe and component repair on some of the most advanced and widely-used commercial aircraft. Fifteen joint ventures with airlines and original equipment manufacturers (OEMs) in Singapore and overseas increase the depth and breadth of the Company's services.

SIA Engineering Company has approvals from 27 national aviation regulatory authorities to provide MRO services for aircraft registered in the United States of America, major European countries and Japan, among others.

Submitted by

Devika Rani Davar

Company Secretary

18 May 2001

For further information, please contact:

SIA Engineering Company Limited

Chia Peck Yong - Senior Manager Public Affairs

Tel: (65) 541 5134 / 98630982 (after office hours)

Fax: (65) 546-0679

E-mail: [peckyong\\_chia@singaporeair.com.sg](mailto:peckyong_chia@singaporeair.com.sg)

Website: [www.siaec.com.sg](http://www.siaec.com.sg)