



25<sup>th</sup> January 2011

**SIA ENGINEERING GROUP PROFIT GROWS 21.8% TO \$197.6M  
FOR 9 MONTHS ENDED 31 DECEMBER 2010**

**HIGHLIGHTS OF THE GROUP'S PERFORMANCE**

	9 months FY2010-11		3 <sup>rd</sup> Quarter FY2010-11	
	Apr - Dec 2010	Year-on-Year % Change	Oct - Dec 2010	Year-on-Year % Change
• Revenue	\$834.9M	+ 13.8	\$269.5M	+ 11.6
• Operating profit	\$105.1M	+ 51.9	\$34.5M	+ 58.3
• Share of profits from joint venture and associated companies	\$110.9M	+ 9.5	\$33.9M	+ 0.6
• Profit attributable to shareholders of the Company	\$197.6M	+ 21.8	\$60.3M	+ 7.7
• Basic earnings per share	18.18 cts	+ 21.0	5.53 cts	+ 6.6

**GROUP EARNINGS**

Year-to-date (April – December 2010)

The SIAEC Group recorded a profit attributable to shareholders of the Company of \$197.6 million for the nine months ended 31 December 2010, an increase of \$35.4 million or 21.8%. Operating profit of \$105.1 million was \$35.9 million or 51.9% higher than the corresponding period last year.

Revenue rose \$101.1 million or 13.8% to \$834.9 million, mainly due to an increase in contribution from maintenance, repair and overhaul work, as well as fleet management programme. Line Maintenance revenue has also increased as more flights were handled.

Expenditure, at \$729.8 million, was \$65.2 million or 9.8% higher as a consequence of higher staff, subcontract and material costs to support the increased workload.

Share of profits from associated and joint venture companies grew \$9.6 million or 9.5% to \$110.9 million, representing a contribution of 48.6% to the Group's pre-tax profits.

Basic earnings per share increased 21.0% to 18.18 cents.

Note: The SIAEC Group's unaudited financial results for the third quarter and nine months ended 31 December 2010 were announced on 25 January 2011. A summary of the financial statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Group comprises the Company and its subsidiary, joint venture and associated companies.)

### Third Quarter FY2010-11

The Group's operating profit of \$34.5 million was \$12.7 million or 58.3% higher than third quarter last year.

Revenue increased \$28.0 million or 11.6% to \$269.5 million mainly due to higher contribution from maintenance, repair and overhaul work, and fleet management programme. Fleet management revenue increased with a larger fleet size of existing customers and the addition of new customers. Line maintenance revenue also increased with more flights handled and an increase in aircraft support work.

Expenditure of \$235.0 million was \$15.3 million or 7.0% higher than the same quarter last year, mainly caused by higher staff and subcontract costs.

Share of profits from associated and joint venture companies remained flat at \$33.9 million, representing a contribution of 48.6% to the Group's pre-tax profits. Costs were higher. These included start-up expenses for new capabilities.

Profit attributable to shareholders of the Company at \$60.3 million was \$4.3 million or 7.7% higher than the corresponding quarter last year.

Basic earnings per share was 6.6% higher at 5.53 cents for the quarter ended 31 December 2010.

### **GROUP FINANCIAL POSITION**

As at 31 December 2010, equity attributable to shareholders of the Company amounted to \$1,246.2 million, \$18.6 million or 1.5 % lower than at 31 March 2010.

Total assets decreased \$13.5 million or 0.9% to \$1,547.5 million. Net asset value per share declined to 114.3 cents, 2.7 cents or 2.3% lower than at 31 March 2010. The total number of shares issued was 1,090.4 million as at 31 December 2010.

The Company has no borrowings and the cash balance of the Group as at 31 December 2010 amounted to \$458.6 million, an increase of \$32.8 million or 7.7% compared to 31 March 2010.

## **OUTLOOK**

The Group will continue to benefit from the recovery in the aviation industry. Demand for maintenance, repair and overhaul services is expected to remain firm. In addition, the Group's network of joint ventures place it in a good position to capitalise on opportunities.

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(For the complete third quarter and nine months FY2010-11 financial statements, please refer to our SGXNET Filing or the Investor Relations page of our website at [www.siaec.com.sg](http://www.siaec.com.sg)).

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## GROUP FINANCIAL STATISTICS

<b>Financial Results (\$ million)</b>	<b>9 months 2010-11</b>	<b>9 months 2009-10</b>	<b>3<sup>rd</sup> Quarter 2010-11</b>	<b>3<sup>rd</sup> Quarter 2009-10</b>
Total revenue	834.9	733.8	269.5	241.5
Total expenditure	729.8	664.6	235.0	219.7
Operating profit	105.1	69.2	34.5	21.8
Non-operating items	3.3	0.7	(0.2)	0.2
Dividend income from long term investment	8.9	12.7	1.5	4.9
Share of profits of joint venture companies	56.4	41.1	17.7	12.1
Share of profits of associated companies	54.5	60.2	16.2	21.6
Profit before taxation	228.2	183.9	69.7	60.6
Profit attributable to shareholders of the Company	197.6	162.2	60.3	56.0

### Per Share Data

Earnings before tax (cents)	21.00	17.04	6.39	5.61
Earnings after tax (cents) - basic <sup>R1</sup>	18.18	15.03	5.53	5.19
- diluted <sup>R2</sup>	17.98	14.96	5.46	5.16

<b>As at</b>	<b>As at</b>
<b>31 Dec 2010</b>	<b>31 Mar 2010</b>

### Financial Position (\$ million)

Share capital	294.4	262.9
Reserves		
Share-based compensation reserve	40.6	45.4
Foreign currency translation reserve	(119.7)	(79.8)
Fair value reserve	3.5	0.2
General reserve	1,027.4	1,036.1
Equity attributable to shareholders of the Company	1,246.2	1,264.8
Total assets	1,547.5	1,561.0
Net asset value per share (cents) <sup>R3</sup>	114.3	117.0

<sup>R1</sup> Earnings after tax per share (basic) is computed by dividing profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue.

<sup>R2</sup> Earnings after tax per share (diluted) is computed by dividing profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding share options granted to employees.

<sup>R3</sup> Net asset value per share is computed by dividing equity attributable to shareholders of the Company by the number of ordinary shares in issue.