

25th July 2014

SIA ENGINEERING POSTS GROUP PROFIT OF \$53.5M FOR 1st QUARTER 2014-15

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 st Quarter		Year-on-Year % Change
	<u>2014-15</u> \$ million	<u>2013-14</u> \$ million	
• Revenue	294.1	289.4	+ 1.6
• Operating profit	20.7	27.7	- 25.3
• Share of profits of associated and joint venture companies, net of tax	30.6	43.0	- 28.8
• Profit attributable to owners of the parent	53.5	69.0	- 22.5
• Basic earnings per share	4.79 cts	6.22 cts	- 23.0

GROUP EARNINGS

SIAEC Group posted a profit attributable to owners of the parent of \$53.5 million for the first quarter ended 30 June 2014.

Revenue increased \$4.7 million or 1.6%, primarily due to higher fleet management revenue, offset by a reduction in airframe and component overhaul revenue. The lower airframe and component overhaul revenue was caused by fewer than planned heavy checks. Expenditure increased at a higher rate of 4.5% mainly due to a higher subcontract work content. The resulting operating profit for the quarter was \$20.7 million, \$7.0 million lower than the same quarter last year.

Share of profits of associated and joint venture companies was \$30.6 million, a drop of \$12.4 million or 28.8% from a year ago. This was mainly due to a \$11.6 million or 37.8% decrease in contribution from the engine repair and overhaul centers.

Basic earnings per share was 4.79 cents for the first quarter of FY2014-15.

Note: The SIAEC Group's unaudited financial results for the first quarter ended 30 June 2014 were announced on 25 July 2014. 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.)

GROUP FINANCIAL POSITION

As at 30 June 2014, equity attributable to owners of the parent amounted to \$1,419.5 million, \$58.6 million or 4.3% higher than at 31 March 2014.

Total assets increased by \$75.6 million or 4.4% to \$1,782.7 million. Net asset value per share of 126.9 cents was 4.9 cents or 4.0% higher than at 31 March 2014.

The cash balance of the Group as at 30 June 2014 was \$605.6 million, an increase of \$69.9 million or 13.0% compared to 31 March 2014.

OUTLOOK

The outlook for the SIAEC Group has become more challenging with the decline in heavy checks and reduction in engine shop visits.

Rising business costs will exert increasing pressure on margins. Efforts to manage costs and to strengthen our competitiveness across core businesses remain a priority.

The Group will continue to pursue collaborations with strategic partners, such as the recently announced partnership with Boeing, which will position us well to take advantage of long-term growth opportunities in the region.

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(For the complete first quarter 2014-15 financial statements, please refer to our SGXNET Filing or the Investor Relations page of our website at www.siaec.com.sg).

For more information, please contact:

Chia Peck Yong
Senior Manager Public Affairs
SIA Engineering Company
Tel: (65) 6541-5134
Fax: (65) 6546-0679
Mobile: 9863-0982
E-mail: peckyong_chia@singaporeair.com.sg

Company Registration No: 198201025C

GROUP FINANCIAL STATISTICS

	1st Quarter 2014-15	1st Quarter 2013-14
Financial Results (\$ million)		
Total revenue	294.1	289.4
Total expenditure	273.4	261.7
Operating profit	20.7	27.7
Non-operating items	6.0	0.7
Dividend income from long term investment	2.3	4.6
Share of profits of associated companies, net of tax	14.3	16.0
Share of profits of joint venture companies, net of tax	16.3	27.0
Profit before taxation	59.6	76.0
Profit attributable to owners of the parent	53.5	69.0
Per Share Data		
Earnings before tax (cents)	5.34	6.85
Earnings after tax (cents) - basic ^{R1}	4.79	6.22
- diluted ^{R2}	4.76	6.16
	As at	As at
	30 Jun 2014	31 Mar 2014
Financial Position (\$ million)		
Share capital	400.1	387.3
Reserves		
Share-based compensation reserve	21.8	23.9
Foreign currency translation reserve	(132.5)	(127.7)
Fair value reserve	1.0	(0.6)
Equity transaction reserve	(2.4)	-
General reserve	1,131.5	1,078.0
Equity attributable to owners of the parent	1,419.5	1,360.9
Total assets	1,782.7	1,707.1
Net asset value per share (cents) ^{R3}	126.9	122.0

^{R1} Earnings after tax per share (basic) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue.

^{R2} Earnings after tax per share (diluted) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding share options, performance shares and restricted shares granted to employees.

^{R3} Net asset value per share is computed by dividing equity attributable to owners of the parent by the number of ordinary shares in issue.