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## **SIA ENGINEERING POSTS INTERIM PROFIT OF \$101.3M ON REVENUE OF \$426.4M**

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SINGAPORE – 25 October 2002 – Mainboard-listed SIA Engineering Company Limited today reported an interim net profit of \$101.3 million on the back of \$426.4 million in revenue for the half-year period 1 April-30 September 2002.

Despite the full impact of the aviation downturn following the events of September 11, the Group's net earnings for the first half of FY2002/03 edged up 3.9% and revenue increased by 2.1%, compared to the same period last year which was not affected by these events.

Expenditure increased 6.8% to \$354.1 million, contributed mainly by provision for profit-sharing bonus and higher aviation insurance premium. No profit-sharing bonus was paid the previous financial year.

The Group operating profit for the first 6 months of FY2002/03 declined by 16% to \$72.3 million. This was offset by share of profits from the Group's associated and joint venture companies, which rose by \$20.8 million or 129.9% to \$36.8 million, contributing 33% to the Group's profit before tax.

Based on the interim results, basic earnings per share improved by 3.8%, from 9.8 Singapore cents to 10.1 cents, while net tangible assets per share increased 10.0% from 68.3 cents as at 31 March 2002 to 75.1 cents as at 30 September 2002.

The Group is declaring an interim dividend of 2.0 cents per share (par value of 10 cents), which translates into an annualised gross dividend yield of 2.0% (based on the share price of \$1.96 at the close of 30 September 2002) and a payout ratio of 20.2%.

Continuing its thrust towards growth from overseas ventures, SIA Engineering signed a Memorandum of Understanding in July 2002 with Indonesian conglomerate PT Jasa Angkasa Semesta to provide aircraft line maintenance and technical ramp handling services to airline customers at Indonesia's major airports.

On prospects for the second half of the current financial year, SIA Engineering CEO William Tan said: "The outlook for the second half of the financial year is overcast by the threat of war against Iraq, which may delay the recovery of the aviation industry and the global economy in general. Airlines will continue to focus on cost control and seek maintenance, repair and overhaul (MRO) providers who can offer total, value-based solutions with competitive pricing and shorter turnaround times. The Company will continue its relentless effort to improve operational efficiencies to reduce cost and further shorten turnaround times."

#### **About SIA Engineering Company**

SIA Engineering Company is a major provider of aircraft maintenance, repair and overhaul (MRO) 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 about 220 flights daily, as well as airframe and component overhaul on some of the most advanced and widely used commercial aircraft in the world.

16 joint ventures with original equipment manufacturers and airlines in Singapore, Ireland, China, Hongkong and Taiwan increase the depth and breadth of the Company's comprehensive service offerings. The combined revenue of these joint ventures is approximately \$1.0 billion for the first half of FY2002/03, with 71% coming from non-Singapore Airlines customers. Taking into account SIA Engineering Company's equity holding in its joint ventures, non-SIA customers contributed approximately 33% of SIA Engineering Group's business.

SIA Engineering Company has approvals from 23 national aviation regulatory authorities to provide MRO services for aircraft registered in the United States of America, major European countries and Japan, among others.

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