



SIA ENGINEERING POSTS GROUP PROFIT OF \$68.1M FOR 1st QUARTER 2011-12

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 st Quarter		Year-on-Year % Change	
	<u>2011-12</u> \$ million	<u>2010-11</u> \$ million		
• Revenue	277.6	288.3	-	3.7
• Operating profit	34.7	36.2	-	4.1
• Share of profits from joint venture and associated companies	37.2	39.2	-	5.1
• Profit attributable to owners of the parent	68.1	70.8	-	3.8
• Basic earnings per share	6.23 cts	6.54 cts	-	4.7

GROUP EARNINGS

SIAEC Group posted a profit attributable to owners of the parent of \$68.1 million, a decrease of \$2.7 million or 3.8% compared to the same quarter last year. Performance in the corresponding quarter last year had the benefit of jobs credit and higher non-operating income. Excluding these items, profit attributable to owners of the parent in this quarter would have been \$0.5 million or 0.7% lower.

Revenue fell by \$10.7 million or 3.7% to \$277.6 million over the same period last year, mainly due to lower revenue from materials. Expenditure, at \$242.9 million, was \$9.2 million or 3.6% lower as a consequence of lower material costs from reduced usage.

The resulting operating profit for the quarter was \$34.7 million, a decrease of \$1.5 million or 4.1%.

Share of profits of associated and joint venture companies, which contributed 48.2% of the Group's pre-tax profits, decreased by \$2.0 million or 5.1% to \$37.2 million.

Basic earnings per share of 6.23 cents was 4.7% lower than the corresponding period last year.

Note: The SIAEC Group's unaudited financial results for the first quarter ended 30 June 2011 were announced on 26 July 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.)

GROUP FINANCIAL POSITION

As at 30 June 2011, equity attributable to owners of the parent amounted to \$1,367.6 million, \$64.9 million or 5.0% higher than at 31 March 2011.

Total assets increased by \$109.3 million or 6.7% to \$1,730.8 million. Net asset value per share of 125.0 cents was 5.6 cents or 4.7% higher than at 31 March 2011. The total number of shares issued was 1,093.8 million as at 30 June 2011.

The Company has no borrowings and the cash balance of the Group as at 30 June 2011 was \$645.0 million, an increase of \$63.6 million or 10.9% compared to 31 March 2011.

OUTLOOK

Prevailing global economic uncertainties and oil price volatility continue to impact the aviation industry. However, we expect demand for the Group's maintenance, repair and overhaul services to be sustained. Productivity improvements and cost management will continue to receive close attention.

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(For the complete first quarter 2011-12 financial statements, please refer to our SGXNET Filing or the Investor Relations page of our website at www.siaec.com.sg).

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GROUP FINANCIAL STATISTICS

Financial Results (\$ million)	1st Quarter 2011-12	1st Quarter 2010-11
Total revenue	277.6	288.3
Total expenditure	242.9	252.1
Operating profit	34.7	36.2
Non-operating items	1.8	3.0
Dividend income from long term investment	3.5	4.1
Share of profits of joint venture companies	16.5	19.0
Share of profits of associated companies	20.7	20.2
Profit before taxation	77.2	82.5
Profit attributable to owners of the parent	68.1	70.8

Per Share Data

Earnings before tax (cents)	7.07	7.63
Earnings after tax (cents) - basic ^{R1}	6.23	6.54
- diluted ^{R2}	6.17	6.48

Financial Position (\$ million)	As at 30 Jun 2011	As at 31 Mar 2011
Share capital	305.5	297.8
Reserves		
Share-based compensation reserve	40.1	40.7
Foreign currency translation reserve	(139.1)	(128.6)
Fair value reserve	4.6	4.4
General reserve	1,156.5	1,088.4
Equity attributable to owners of the parent	1,367.6	1,302.7

Total assets	1,730.8	1,621.5
Net asset value per share (cents) ^{R3}	125.0	119.4

^{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 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.