

27<sup>th</sup> July 2009

## SIA ENGINEERING POSTS GROUP PROFIT OF \$45.1 M FOR 1<sup>st</sup> QUARTER 2009-10

### HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 <sup>st</sup> Quarter		Year-on-Year % Change
	<u>2009-10</u> \$ million	<u>2008-09</u> \$ million	
• Revenue	244.2	250.2	- 2.4
• Operating profit	12.3	16.4	- 25.0
• Share of profits from joint venture and associated companies	35.6	43.6	- 18.3
• Profit attributable to equity holders of the Company	45.1	58.7	- 23.2
• Basic earnings per share	4.18 cts	5.46 cts	- 23.4

### GROUP EARNINGS

The Group recorded a profit attributable to equity holders of \$45.1 million, a decrease of \$13.6 million or 23.2% from the same quarter last year.

The Group operating profit of \$12.3 million was \$4.1 million or 25.0% lower compared to the first quarter last year.

Revenue declined \$6.0 million or 2.4% to \$244.2 million mainly due to lower airframe maintenance and component overhaul work. The decrease was partially mitigated by an increase in rectification and cabin maintenance work in Line Maintenance, and higher revenue from material usage.

Expenditure fell \$1.9 million or 0.8% to \$231.9 million mainly because of lower staff costs as a result of a lower provision for profit-sharing bonus and lower overtime. This was partially offset by material costs and unrealised foreign exchange loss due to a weaker US dollar.

Contributions from our associated and joint venture companies also declined by \$8.0 million or 18.3% to \$35.6 million.

Basic earnings per share was 4.18 cents for the quarter ended 30 June 2009, a decrease of 1.28 cents per share over the same period last year.

Note: The SIAEC Group's unaudited financial results for the first quarter ended 30 June 2009 were announced on 27 July 2009. A summary of the financial statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Company refers to SIA Engineering Company Limited. The Group comprises the Company, its subsidiaries, joint venture and associated companies.)

## **GROUP FINANCIAL POSITION**

As at 30 June 2009, equity attributable to equity holders of the Company amounted to \$1,245.5 million, \$16.6 million or 1.4% higher than at 31 March 2009.

Total assets increased by \$39.2 million or 2.6% to \$1,541.4 million. Net asset value per share of 115.5 cents was 1.5 cents or 1.3% higher than at 31 March 2009. The total number of shares issued was 1,078.6 million as at 30 June 2009.

The Group's cash balance as at 30 June 2009 was \$431.2 million, an increase of \$58.7 million or 15.8% compared to 31 March 2009.

## **OUTLOOK**

The Group's weaker first quarter results reflect the downturn in airline travel and cargo demand. With continued uncertainties in global economic conditions and the impact of the H1N1 situation, the Group's performance will continue to be affected until there is sustained recovery in demand.

The Company has taken measures to trim costs. These include rationalisation of the workforce and shift patterns, management wage cuts and employee leave arrangements to better match demand. The Group's 23 subsidiary, joint venture and associated companies have also taken the necessary steps.

The Group will closely monitor the operating environment and be ready to implement such additional measures as may be necessary.

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(For the complete first quarter 2009-10 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 <sup>R1</sup>

	<b>1<sup>st</sup> Quarter 2009-10</b>	<b>1<sup>st</sup> Quarter 2008-09</b>
<b>Financial Results (\$ million)</b>		
Total revenue	244.2	250.2
Total expenditure	231.9	233.8
Operating profit	12.3	16.4
Non-operating items	0.2	1.9
Dividend income from long term investment	3.9	3.7
Share of profits of associated companies	19.2	28.3
Share of profits of joint venture companies	16.4	15.3
Profit before taxation	52.0	65.6
Profit attributable to equity holders of the Company	45.1	58.7
<b>Per Share Data</b>		
Earnings before tax (cents)	4.83	6.10
Earnings after tax (cents) - basic <sup>R2</sup>	4.18	5.46
- diluted <sup>R3</sup>	4.17	5.41
	<b>As at</b>	<b>As at</b>
	<b>30 Jun 2009</b>	<b>31 Mar 2009</b>
<b>Financial Position (\$ million)</b>		
Share capital	256.6	255.6
Reserves		
General reserve	1,017.0	971.9
Foreign currency translation reserve	(71.7)	(36.4)
Share-based compensation reserve	42.9	39.6
Fair value reserve	0.7	(1.8)
Equity attributable to equity holders of the Company	1,245.5	1,228.9
Total assets	1,541.4	1,502.2
Net asset value per share (cents) <sup>R4</sup>	115.5	114.0

<sup>R1</sup> SIAEC Group's financial year is from 1 April to 31 March. Throughout this report, all figures are in Singapore Dollars, unless stated otherwise.

<sup>R2</sup> Earnings after tax per share (basic) is computed by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue.

<sup>R3</sup> Earnings after tax per share (diluted) is computed by dividing profit attributable to equity holders 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>R4</sup> Net asset value per share is computed by dividing equity attributable to equity holders of the Company by the number of ordinary shares in issue.