

27th July 2015

SIA ENGINEERING POSTS GROUP PROFIT OF \$41.3M FOR 1st QUARTER 2015-16

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 st Quarter		Year-on-Year	
	2015-16	2014-15	% Change	
• Revenue	\$277.3M	\$294.1M	-	5.7
• Operating profit	\$20.9M	\$20.7M	+	1.0
• Share of profits of associated and joint venture companies, net of tax	\$24.0M	\$30.6M	-	21.6
• Profit attributable to owners of the parent	\$41.3M	\$53.5M	-	22.8
• Basic earnings per share	3.68 cts	4.79 cts	-	23.2

GROUP EARNINGS

SIAEC Group posted a profit attributable to owners of the parent of \$41.3 million, a decrease of \$12.2 million or 22.8% compared to the corresponding quarter last year. Profit in the same quarter last year included a \$5.8 million gain from the restructuring of one of its subsidiaries. Excluding this gain, profit attributable to owners of the parent in this quarter would have decreased \$6.4 million or 13.4%.

Revenue was lower by \$16.8 million or 5.7%, primarily due to lower airframe component and overhaul revenue. Although the exchange loss increased by \$4.1 million, expenditure fell \$17.0 million or 6.2%, mainly from lower staff and subcontract costs. As the decrease in expenditure offset the reduction in revenue, operating profit of \$20.9 million increased by \$0.2 million or 1.0% from the previous year.

Share of profits of associated and joint venture companies at \$24.0 million decreased by \$6.6 million or 21.6% from \$30.6 million a year ago. Contributions from the engine repair and overhaul centres at \$11.2 million were \$7.9 million or 41.4% lower than the same period last year.

Basic earnings per share was 3.68 cents for the first quarter of FY2015-16.

Note: The SIAEC Group's unaudited financial results for the first quarter ended 30 June 2015 were announced on 27 July 2015. 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 2015, equity attributable to owners of the parent amounted to \$1,363.9 million, \$39.0 million or 2.9% higher than at 31 March 2015, mainly due to earnings for the quarter.

Total assets increased by \$54.9 million or 3.3% to \$1,711.5 million. Net asset value per share of 121.5 cents was 3.4 cents or 2.9% higher than at 31 March 2015.

The cash balance of the Group as at 30 June 2015 was \$488.1 million, an increase of \$24.4 million or 5.3% compared to 31 March 2015.

OUTLOOK

Overall, market conditions for the MRO industry remain challenging. Rising business costs and competition from increasing MRO capacity in the region will continue to exert pressure on margins.

Efforts to manage costs and strengthen our competitiveness across core business units will remain a key priority. We continue to build on our capability to handle new generation aircraft. This will broaden the depth and breadth of our capabilities and scope of services.

Supported by a strong balance sheet, the Group will continue to pursue strategic partnerships and long term growth opportunities in the region.

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(For the complete first quarter 2015-16 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

	1 st Quarter 2015-16	1 st Quarter 2014-15
Financial Results (\$ million)		
Total revenue	277.3	294.1
Total expenditure	256.4	273.4
Operating profit	20.9	20.7
Non-operating items	0.3	6.0
Dividend income from long term investment	1.7	2.3
Share of profits of associated companies, net of tax	14.5	14.3
Share of profits of joint venture companies, net of tax	9.5	16.3
Profit before taxation	46.9	59.6
Profit attributable to owners of the parent	41.3	53.5
Per Share Data		
Earnings before tax (cents)	4.18	5.34
Earnings after tax (cents) - basic ^{R1}	3.68	4.79
- diluted ^{R2}	3.67	4.76
	As at	As at
	30 Jun 2015	31 Mar 2015
Financial Position (\$ million)		
Share capital	415.0	410.7
Reserves		
Share-based compensation reserve	19.9	20.2
Foreign currency translation reserve	(93.9)	(81.7)
Fair value reserve	(8.3)	(14.2)
Equity transaction reserve	(2.4)	(2.4)
General reserve	1,033.6	992.3
Equity attributable to owners of the parent	1,363.9	1,324.9
Total assets	1,711.5	1,656.6
Net asset value per share (cents) ^{R3}	121.5	118.1

^{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.