



28 October 2004

HALF YEAR 2004-05 SEES RECOVERY POST-SARS HIGHER INTERIM DIVIDEND OF 3 CENTS PER SHARE

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	Half Year 2004-05		2 nd Quarter 2004-05	
		YoY % change		YoY % change
Profit attributable to shareholders	\$87.1M	+42.3	\$43.4M	+13.4
Earnings per share	8.6 cents	+41.4	4.3 cents	+12.3
Interim dividend per share	3.0 cents	+50.0	-	-

GROUP EARNINGS

First Half 2004-05

The Group's operating profit for the half year ended 30 September 2004 was \$61.8 million, an increase of \$14.0 million (+29.3%) from the corresponding period last year.

Revenue rose by \$82.0 million (+25.2%) to \$408.0 million mainly due to higher workload. Expenditure increased \$68.0 million (+24.4%) mainly due to higher staff costs, material costs and subcontract costs, partially offset by a writeback of provision for doubtful debts.

The performance of our associated and joint venture companies also showed improvement over the same period last year. Share of profits increased \$8.9 million (+35.5%) to \$34.0 million. Thus, profit before taxation increased by a higher amount of \$25.7 million (+35.8%) to \$97.5 million.

Profit attributable to shareholders was \$87.1 million (+42.3%). Basic earnings per share for the half year was 8.6 cents (+41.4%).

Note: The SIAEC Group's unaudited financial results for the second quarter ended 30 September 2004 were announced on 28 October 2004. A summary of the financial statistics is shown in Annex A. (All monetary figures are in Singapore Dollars.)

Second Quarter 2004-05

The Group generated revenue of \$206.7 million for the quarter ended 30 September 2004, a \$50.2 million (+32.1%) increase compared to the same period last year. This was mainly due to an increase in number of flights handled by line maintenance and higher workload for airframe and component overhaul.

Expenditure increased at a higher rate of 43.1% to \$178.0 million, mainly due to higher staff costs and material costs. Compared to 2nd Quarter 2003-04, there was also a lower writeback of provision for doubtful debts.

Operating profit was \$28.7 million (-10.6%).

Profit before taxation increased by \$2.7 million (+5.9%) mainly due to improved performance by our associated and joint venture companies. Share of profits increased by \$6.4 million (+50.0%) to \$19.2 million which represents 39.4% of the Group's pre-tax profits.

Profit attributable to shareholders for the quarter was \$43.4 million (+13.4%). Basic earnings per share was 4.3 cents (+12.3%).

FINANCIAL POSITION

As at 30 September 2004, shareholders' funds of the Group was \$797.4 million, 13.9% or \$128.4 million lower than the position at 31 March 2004. This was mainly due to the payment of \$227.4M in August 2004 for the final and special dividend declared in respect of the last financial year.

Net asset value per share for the Group was 78.8 cents as at 30 September 2004, a decline of 13.3 cents compared to 31 March 2004.

The Group's total assets declined by 9.3% (-\$104.6 million) to \$1,015.7 million.

DIVIDENDS

An interim tax-exempt dividend of 3.0 cents per share has been declared. This represents a payout of 34.8% of profits for the first half of the financial year.

OUTLOOK FOR 3Q FY2004-05

With the improving outlook in the aviation landscape, MRO (maintenance, repair and overhaul) activities are benefiting from the rebound in air traffic. Intense competition and high fuel prices, however, continue to impact our customers.

We expect revenue in the third quarter to remain comparable to that of the second quarter.

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(For the complete 2nd quarter financial statements, please refer to MASNET Filing or the Investor Relations page of our website at www.siaec.com.sg).

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GROUP FINANCIAL STATISTICS

Financial Results (S\$ million)	Half Year 2004-05	Half Year 2003-04	2nd Qtr 2004-05	2nd Qtr 2003-04
Total revenue	408.0	326.0	206.7	156.5
Total expenditure	346.2	278.2	178.0	124.4
Operating profit	61.8	47.8	28.7	32.1
Non-operating items	1.7	2.0	0.8	1.1
Share of profits of associated companies	30.2	24.7	17.0	12.3
Share of profits of joint venture companies	3.8	0.4	2.2	0.5
Retrenchment and early retirement costs	-	3.1	-	-
Profit before taxation	97.5	71.8	48.7	46.0
Profit attributable to shareholders	87.1	61.2	43.4	38.3

Per Share Data

Earnings before tax (cents)	9.67	7.17	4.82	4.59
Earnings after tax (cents) - basic ^{R1}	8.64	6.11	4.29	3.82
- diluted ^{R2}	8.57	6.09	4.25	3.81

Financial Position (S\$ million)	As at 30-Sep-04	As at 31-Mar-04
Share capital	101.1	100.5
Distributable reserves:		
General reserve	689.0	829.3
Foreign currency translation reserve	(8.8)	(10.4)
Non-distributable reserve:		
Share premium	16.1	6.4
Shareholders' funds	<u>797.4</u>	<u>925.8</u>
Total assets	1,015.7	1,120.3
Net asset value (cents) ^{R3}	78.8	92.1

Dividends	Half Year 2004-05	Half Year 2003-04
Interim dividend per share (cents)	3.0	2.0

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

^{R2} Earnings after tax per share (diluted) is computed by dividing the profit attributable to shareholders by the weighted average number of 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 shareholders' funds by the number of ordinary shares in issue.