



SIA ENGINEERING GROUP POSTS PROFIT OF \$139.3M FOR 1st HALF 2011-12

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 st Half FY2011-12		2 nd Quarter FY2011-12	
	Apr - Sep 2011	Year-on-Year % Change	Jul - Sep 2011	Year-on-Year % Change
• Revenue	\$550.0M	- 2.7	\$272.4M	- 1.7
• Operating profit	\$68.7M	- 2.7	\$34.0M	- 1.2
• Share of profits from joint venture and associated companies	\$77.7M	+ 0.9	\$40.5M	+ 7.1
• Profit attributable to owners of the parent	\$139.3M	+ 1.5	\$71.2M	+ 7.1
• Basic earnings per share	12.73 cts	+ 0.6	6.50 cts	+ 6.4

GROUP EARNINGS

First Half FY2011-12

SIAEC Group recorded a profit attributable to owners of the parent of \$139.3 million for the first half ended 30 September 2011, an increase of \$2.0 million or 1.5% compared to the corresponding period last year. This included a write-back of tax provision of \$3.1 million¹. Share of profits from associated and joint venture companies increased by \$0.7 million or 0.9% to \$77.7 million, and accounted for 50.1% of the Group's pre-tax profits.

Operating profit decreased marginally by \$1.9 million or 2.7% to \$68.7 million as the impact of a weaker US dollar was mitigated by exchange gains of \$8.6 million from hedging and the revaluation of net US dollar denominated assets.

Revenue declined by \$15.4 million or 2.7% primarily from lower revenue from materials. As a consequence, material costs were similarly lower, contributing to the \$13.5 million or 2.7% reduction in expenditure.

Basic earnings per share was 0.6% higher at 12.73 cents.

¹Write-back of withholding taxes arising from a change in the tax rules.

Note: The SIAEC Group's unaudited financial results for the second quarter and half year ended 30 September 2011 were announced on 28 October 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.)

Second Quarter FY2011-12

Profit attributable to owners of the parent was \$4.7 million or 7.1% higher at \$71.2 million in the second quarter. Share of profits from associated and joint venture companies grew by \$2.7 million or 7.1% to \$40.5 million. A write-back of tax provision, amounting to \$3.1 million, also contributed to the better performance in the quarter.

The Group's operating profit of \$34.0 million was slightly lower by \$0.4 million or 1.2% as the impact of a weaker US dollar was mitigated by exchange gains of \$7.1 million from hedging and the revaluation of net US dollar denominated assets.

Basic earnings per share of 6.50 cents was 6.4% higher than the corresponding quarter last year.

GROUP FINANCIAL POSITION

As at 30 September 2011, equity attributable to owners of the parent amounted to \$1,194.1 million, a decrease of \$108.6 million or 8.3% compared to 31 March 2011, after a payment of \$263.1 million final and special dividends for FY2010-11 during the quarter.

Total assets decreased by \$89.0 million or 5.5% to \$1,532.5 million. Net asset value per share declined to 108.9 cents, 10.5 cents or 8.8% lower than at 31 March 2011. The total number of shares issued was 1,096.6 million as at 30 September 2011.

The Company has no borrowings and the cash balance of the Group amounted to \$388.9 million as at 30 September 2011.

DIVIDEND

The Company has declared an interim dividend of 6.0 cents per share for the half year ended 30 September 2011, unchanged from last year.

OUTLOOK

Demand for the Group's businesses in the near term is expected to be stable. Nevertheless, the prevailing global economic and financial uncertainties, and concerns over a sovereign debt crisis in Europe will impact recovery of the aviation industry.

We remain committed to staying lean and competitive to safeguard earnings. Vigilance on cost and efficiency management will remain key priorities. On the business side, our broad range of services and the Group's network of joint ventures place us in an advantageous position to continue to capitalise on growth opportunities.

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(For the complete second quarter and first half FY2011-12 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

	1 st Half 2011-12	1 st Half 2010-11	2 nd Quarter 2011-12	2 nd Quarter 2010-11
Financial Results (\$ million)				
Total revenue	550.0	565.4	272.4	277.1
Total expenditure	481.3	494.8	238.4	242.7
Operating profit	68.7	70.6	34.0	34.4
Non-operating items	2.1	3.5	0.3	0.5
Dividend income from long term investment	6.7	7.4	3.2	3.3
Share of profits of joint venture companies	33.5	38.7	17.0	19.7
Share of profits of associated companies	44.2	38.3	23.5	18.1
Profit before taxation	155.2	158.5	78.0	76.0
Profit attributable to owners of the parent	139.3	137.3	71.2	66.5

Per Share Data

Earnings before tax (cents)	14.18	14.62	7.12	6.99
Earnings after tax (cents) - basic ^{R1}	12.73	12.66	6.50	6.11
- diluted ^{R2}	12.61	12.52	6.44	6.04

As at **As at**
30 Sep 2011 **31 Mar 2011**

Financial Position (\$ million)

Share capital	314.3	297.8
Reserves		
Share-based compensation reserve	37.1	40.7
Foreign currency translation reserve	(115.2)	(128.6)
Fair value reserve	(6.8)	4.4
General reserve	964.7	1,088.4
Equity attributable to owners of the parent	1,194.1	1,302.7
Total assets	1,532.5	1,621.5
Net asset value per share (cents) ^{R3}	108.9	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.