

31st January 2012

**SIA ENGINEERING GROUP PROFIT UP 2.6% to \$202.8M
FOR 9 MONTHS ENDED 31 DECEMBER 2011**

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	3 rd Quarter FY2011-12		9 months FY2011-12	
	Oct - Dec 2011	Year-on-Year % Change	Apr - Dec 2011	Year-on-Year % Change
• Revenue	\$303.4M	+ 12.6	\$853.4M	+ 2.2
• Operating profit	\$28.4M	- 17.7	\$97.1M	- 7.6
• Share of profits from joint venture and associated companies	\$40.7M	+ 20.1	\$118.4M	+ 6.8
• Profit attributable to owners of the parent	\$63.5M	+ 5.3	\$202.8M	+ 2.6
• Basic earnings per share	5.79 cts	+ 4.7	18.52 cts	+ 1.9

GROUP EARNINGS

Third Quarter FY2011-12

SIAEC Group posted a profit attributable to owners of the parent of \$63.5 million for the quarter ended 31 December 2011, which was \$3.2 million or 5.3% higher than the corresponding quarter last year. Operating profit for the quarter was \$28.4 million, a decrease of \$6.1 million or 17.7%. Share of profits from associated and joint venture companies, which accounted for 56.3% of the Group's pre-tax profits, increased by \$6.8 million or 20.1% to \$40.7 million.

Revenue of \$303.4 million was \$33.9 million or 12.6% higher than the same quarter last year, primarily attributable to higher fleet management programme revenue and an increase in airframe and component overhaul work.

Expenditure increased by \$40.0 million or 17.0% to \$275.0 million, mainly from higher subcontract and staff costs to support the increase in workload.

Basic earnings per share rose by 4.7% to 5.79 cents.

Note: The SIAEC Group's unaudited financial results for the third quarter and nine months ended 31 December 2011 were announced on 31 January 2012. 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.)

Year-to-date (April – December 2011)

The Group recorded a profit attributable to owners of the parent of \$202.8 million, \$5.2 million or 2.6% higher than the corresponding period last year. Share of profits from associated and joint venture companies increased by \$7.5 million or 6.8% to \$118.4 million, representing a contribution of 52.0% to the Group's pre-tax profits. Performance in the first nine months included a write-back of tax provision of \$3.1 million arising from a change in the tax rules during the period.

Operating profit at \$97.1 million was \$8.0 million or 7.6% lower compared to the same period last year. Revenue rose by \$18.5 million or 2.2% to \$853.4 million, mainly from an increase in fleet management programme revenue. Expenditure at \$756.3 million, was \$26.5 million or 3.6% higher, primarily due to higher subcontract and staff costs during the period.

Basic earnings per share was 1.9% higher at 18.52 cents.

GROUP FINANCIAL POSITION

As at 31 December 2011, equity attributable to owners of the parent amounted to \$1,194.8 million, \$107.9 million or 8.3% lower than at 31 March 2011.

Total assets decreased by \$86.1 million or 5.3% to \$1,535.4 million. Net asset value per share of 109.0 cents was 10.4 cents or 8.7% lower than at 31 March 2011. The total number of shares issued was 1,096.7 million as at 31 December 2011.

The Company has no borrowings and the cash balance of the Group was \$388.3 million as at 31 December 2011.

OUTLOOK

Despite the prevailing volatility and the challenges in the global economy, demand for the Group's core businesses is expected to be sustained. The Group will continue with its efforts to improve productivity and manage costs.

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(For the complete third quarter and nine months 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

	3 rd Quarter 2011-12	3 rd Quarter 2010-11	9 months 2011-12	9 months 2010-11
Financial Results (\$ million)				
Total revenue	303.4	269.5	853.4	834.9
Total expenditure	275.0	235.0	756.3	729.8
Operating profit	28.4	34.5	97.1	105.1
Non-operating items	(0.1)	(0.2)	2.0	3.3
Dividend income from long term investment	3.3	1.5	10.0	8.9
Share of profits of joint venture companies	18.4	17.7	51.9	56.4
Share of profits of associated companies	22.3	16.2	66.5	54.5
Profit before taxation	72.3	69.7	227.5	228.2
Profit attributable to owners of the parent	63.5	60.3	202.8	197.6
Per Share Data				
Earnings before tax (cents)	6.59	6.39	20.77	21.00
Earnings after tax (cents) - basic ^{R1}	5.79	5.53	18.52	18.18
- diluted ^{R2}	5.75	5.46	18.36	17.98
As at				
31 Dec 2011 31 Mar 2011				
Financial Position (\$ million)				
Share capital	314.5	297.8		
Reserves				
Share-based compensation reserve	37.9	40.7		
Foreign currency translation reserve	(113.8)	(128.6)		
Fair value reserve	(6.2)	4.4		
General reserve	962.4	1,088.4		
Equity attributable to owners of the parent	1,194.8	1,302.7		
Total assets	1,535.4	1,621.5		
Net asset value per share (cents) ^{R3}	109.0	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.