



SIA ENGINEERING COMPANY SEEKS MRO OPPORTUNITIES IN INDIA

SINGAPORE, 26 July 2006 – Mainboard-listed **SIA Engineering Company Limited** today signed a Memorandum of Understanding with the Wadia Group of India to form a Joint Venture Company (JVC) to offer maintenance, repair and overhaul (MRO) services in India.

SIA Engineering Company, which will have 51% shareholding in the JVC, shall manage the greenfield facility, while the Wadia Group will hold the remaining 49% stake.

Mr William Tan, Chief Executive of SIA Engineering Company said: “The ongoing liberalisation of India’s aviation sector, coupled with the strong growth of its economy, is boosting demand for passenger and cargo air traffic. This has manifested in the expanding fleets of new generation aircraft in the Indian sub-continent, which require the support of modern, world-class MRO facilities.

“Capitalising on the brightening aviation prospects of India, the Wadia Group a year ago launched its low-cost carrier, GoAir, demonstrating its visionary leadership and strong entrepreneurship. We are delighted to partner the Wadia Group in tapping the burgeoning potential of India’s aviation sector. With our specialisation in the latest aircraft technology as the hallmark of our engineering excellence, we plan to invest in the JVC infrastructure and people to build an MRO Centre of Excellence for the Indian aviation market”, Mr Tan added.

Mr Jeh Wadia of the Wadia Group said at the occasion, “The Wadia Group is committed to the development of civil aviation and related infrastructure in India. We started with GoAir, the “Fly Smart” airline in November 2005 and today’s MOU with

SIA Engineering Company is another milestone in this regard. India, more than any other country, is perfect to be a Lower Cost MRO provider for both Indian and International Airlines, mainly because of the large pool of untapped Engineering talent the country has. I am extremely bullish about the prospects as passenger and cargo traffic continue to grow both domestically and internationally. The lack of a world class MRO facility was a major hurdle in India and with this new venture, the Wadia Group and SIA Engineering Company will significantly contribute towards supporting the increased traffic both internationally and domestically.”

The proposed JVC, which plans to initially offer line maintenance services at eight major airports and expanding to more airports subsequently, aims to be the preferred line maintenance service provider of both narrow and wide body aircraft in India. There are also plans to develop the JVC into a Centre of Excellence for airframe maintenance of A320 and B737NG airliners, and the establishment of a leading aerospace engineering training institute.

Both parties will proceed to work out the details of the definitive agreement for the transaction.

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About SIA Engineering Company

(Company Registration No. 198201025C)

www.siaec.com.sg

SIA Engineering Company is a major provider of aircraft maintenance, repair, and overhaul services in Asia Pacific. The company has a client base of more than 80 international carriers and aerospace equipment manufacturers. It provides line maintenance services at Singapore Changi Airport for more than 60 international carriers, as well as airframe and component overhaul on some of the most advanced and widely used commercial aircraft in the world.

19 joint ventures with original equipment manufacturers and airlines in Singapore, Ireland, Hong Kong, Taiwan, Philippines and Indonesia increase the depth and breadth of the company's comprehensive service offerings. The combined revenue of the group's joint ventures is approximately S\$1.7 billion in FY2005/2006, with 73 percent coming from non-Singapore Airlines (SIA) customers.

SIA Engineering Company has approvals from 23 national aviation regulatory authorities to provide MRO services for aircraft registered in the U.S., Europe, and Japan, among others.

About the Wadia Group

The Wadia Group has been synonymous with leading Indian companies, through its brands Britannia and Bombay Dyeing. With 116 years at the forefront of industry in India, the Wadia Group is today broadly diversified in several growth industries that cover textiles, chemicals, petrochemicals, plantations, foods, electronics, light engineering, health, laminates, real estate and consultancy. Consistently, the Group companies have emerged as market leaders in fields they have entered. And over the years the Group has developed an enviable record of successfully managing diverse technologies.

The group has been forging value relationships with India's people and has integrated their products into people's daily lives, for well over a hundred years.

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