

## News Release

### **ST ENGINEERING REGISTERS 10% NET PROFIT GROWTH FOR 4Q2013 VERSUS 4Q2012** *Order book reaches new high of \$13.2b*

**Singapore, 27 February 2014** - Singapore Technologies Engineering Ltd (ST Engineering) posted a strong set of results for the fourth quarter ended 31 December 2013 (4Q2013). Compared to 4Q2012, Group revenue grew 12% to \$1.94b from \$1.73b and Net profit after tax (Net Profit) grew 10% to \$167.5m from \$152.3m.

#### **FY2013 versus FY2012**

On a full-year basis (FY2013), Group revenue was \$6.63b, comparable to \$6.38b achieved in FY2012. Profit before tax (PBT) was \$729.7m compared to \$715.4m posted in the same period last year, and Net Profit was \$580.8m versus \$576.2m posted in FY2012.

In FY2013 at the business sector level, against the same period last year, revenue for the Aerospace sector was \$2.08b versus \$2.02b, and PBT was \$319.4m, up 7%. Revenue for the Electronics sector was \$1.65b compared to \$1.58b, and PBT was up 12% at \$170.3m. Revenue for the Land Systems sector was \$1.47b versus \$1.51b and PBT was \$111.8m against \$113.3m in the same period last year. Year-on-year, the Marine sector achieved higher revenue and PBT for FY2013, with a 23% increase in revenue to \$1.24b, and a 15% increase in PBT to \$146.3m.

Commercial sales accounted for 62% or \$4.1b of Group revenue, and Defence business remained core to the Group. Revenue mix of the Group comprised Aerospace sector 31%, Electronics sector 25%, Land Systems sector 22% and Marine sector 19%.

The Group ended the year with a strong order book of \$13.2b, of which \$4.3b is expected to be delivered in 2014.

#### **4Q2013 versus 3Q2013**

In 4Q2013, the Group revenue of \$1.94b was an increase of 25% from \$1.55b posted for 3Q2013. Compared to 3Q2013, PBT for 4Q2013 grew 29% from \$168m to \$216.1m as all sectors recorded higher PBT. The 126% increase in PBT for the Land Systems sector in 4Q2013 against 3Q2013 was mainly attributable to a one-off gain on the disposal of a property.

#### **Steady EPS, Stronger Cash Position**

Earnings per share (EPS) was 18.73 cents, compared to 18.76 cents a year ago. The Group cash and cash equivalents, including funds under management stood at \$2.2b, and advance payments from customers totalled \$1.7b as of 31 December 2013.

#### **Dividend Payout and Dividend Yield**

The Board of Directors proposes a Final Dividend of 12 cents per share, consisting of an Ordinary Dividend of 4 cents per share, and a Special Dividend of 8 cents per share. Together with the Interim Dividend of 3 cents per share paid to shareholders in September 2013, the total dividend for the full year will amount to 15 cents per share, 1.8 cents lower than FY2012. This translates to a dividend yield of 3.86%, computed using the average closing share price of the last trading day of 2013 and 2012.

*“The Group registered good growth of 12% and 10% in Revenue and Net Profit respectively in 4Q2013 compared to 4Q2012. On a full year basis, Revenue and Net Profit of FY2013 were comparable with that of FY2012. The performance reflects the Group’s resilience and its ability to ride out market volatilities. The Group succeeded in securing more contracts and ended the year with a record high order book of \$13.2b.*

*Barring unforeseen circumstances, the Group expects to achieve higher Revenue and PBT for FY2014 over FY2013.”*

**~ TAN Pheng Hock**  
**President & CEO, ST Engineering**

### **2013 Business Highlights**

In the fourth quarter, the Aerospace sector announced over \$780m worth of contracts, bringing the total announced contract value to \$2.3b. The sector's new Changi hangar commenced operations, and new initiatives to augment its leadership position included a new aircraft leasing joint venture and an enhanced engine leasing portfolio. Strengthening its partnerships with OEMs, it was appointed a Boeing Business Jet completions centre and an Airbus Corporate Jet service centre, and signed two long-term licensing agreements with UTC Aerospace Systems.

The Electronics sector continued to win various contracts in rail electronics, satellite communications, cyber security and advanced electronics, announcing close to \$1.4b of new orders in 2013, of which about \$593m of contracts were secured in 4Q2013. The sector set up subsidiaries in Thailand, as well as in Wuxi and Tianjin in China, to tap growing demand for advanced electronics and infocomm technology solutions in the region.

The Land Systems sector set up subsidiaries in Myanmar and Brazil to pursue commercial opportunities in these new markets. It also acquired a Brazilian entity to further its defence business in South America. It secured more than US\$30m worth of export orders for its 40mm ammunition solutions, and has formed a partnership to sell these solutions into Australia and New Zealand.

In 2013, the Marine sector announced close to \$1b of orders, of which \$446m worth of contracts was secured in 4Q2013. These included defence and commercial newbuild, ship maintenance and conversion contracts, as well as an environmental engineering project in China. In the US, its yards added shiprepair capabilities.

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**About ST Engineering**

**ST Engineering** (Singapore Technologies Engineering Ltd) is an integrated engineering group providing solutions and services in the aerospace, electronics, land systems and marine sectors. Headquartered in Singapore, the Group reported revenue of \$6.63b in FY2013 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, FTSE ASEAN 40 Index, MSCI Singapore and other indices. ST Engineering has more than 23,000 employees worldwide, and over 100 subsidiaries and associated companies in 24 countries and 46 cities. Please visit [www.stengg.com](http://www.stengg.com) for more information.

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