SIA ENGINEERING COMPANY

14th May 2010

SIA ENGINEERING POSTS GROUP PROFIT OF $236.1 M FOR FY 2009-10

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	4th Quarter FY2009-10			FY2009-10		
	Jan - Mar 2010	Year-on-Year % Change		Apr 2009- Mar 2010	Year-on-Year % Change	
• Revenue	$272.6M	+	10.9	$1,006.4M	-	3.7
• Operating profit	$41.2M	+	54.3	$110.4M	-	2.0
• Share of profits from joint venture and associated companies	$28.4M	-	40.6	$129.7M	-	25.0
• Profit attributable to equity holders of the Company	$73.9M	+	12.8	$236.1M	-	9.4
• Basic earnings per share	6.85 cts	+	12.5	21.88 cts	-	9.6

GROUP EARNINGS

Fourth Quarter FY2009-10

SIAEC Group profit attributable to equity holders for the quarter ended 31 March 2010 was $73.9 million, an increase of $8.4 million or 12.8% over the same period last year. The quarter's results benefited from surplus on disposal of fixed assets and write-back of tax provisions by an associated company.

Revenue of $272.6 million for the quarter increased $26.8 million or 10.9% over the same period last year. This was primarily contributed by fleet management programme and airframe and component overhaul work.

Expenditure at $231.4 million was $12.3 million or 5.6% higher. The increase was mainly from higher staff costs, partially mitigated by lower subcontract costs. Staff costs increased mainly due to lower jobs credit compared to the corresponding period last year.

The resulting operating profit of $41.2 million was $14.5 million or 54.3% higher than the same quarter last year. At the pre-tax profit level, Group earnings increased by a lower $1.8 million or 2.3%. This was mainly due to a decline in share of profits of associated and joint venture companies of $19.4 million or 40.6% to $28.4 million, partially mitigated by a $6.1 million surplus from the disposal of fixed assets.

Note: The SIAEC Group's audited financial results for the financial year ended 31 March 2010 were announced on 14 May 2010. A summary of the financial statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Company refers to SIA Engineering Company Limited. The Group comprises the Company and its subsidiary, joint venture and associated companies.)

Profit after tax for the quarter rose $8.4 million or 12.7% to $74.8 million.

Basic earnings per share increased by 12.5% to 6.85 cents.

Financial Year 2009-10

Operating profit for the financial year at $110.4 million was $2.2 million or 2.0% lower compared to last year. Share of profits from associated and joint venture companies declined $43.3 million or 25.0% to $129.7 million. This amounted to 49.4% of the Group's pre-tax profits. Surplus on disposal of fixed assets increased $5.9 million while provision for tax fell $12.9 million or 34.5% to $24.5 million.

The resulting profit attributable to equity holders of $236.1 million for the financial year ended 31 March 2010 was $24.5 million or 9.4% lower than last year.

Revenue declined $38.9 million or 3.7% to $1,006.4 million mainly due to lower airframe and component overhaul work and revenue from the turnkey project. This drop was partially mitigated by higher fleet management revenue.

Expenditure saw a reduction of $36.7 million or 3.9% to $896.0 million. Staff and subcontract costs were lower as a result of cost management initiatives.

Basic earnings per share was 21.88 cents for the financial year ended 31 March 2010, a decrease of 2.32 cents per share over last year.

GROUP FINANCIAL POSITION

As at 31 March 2010, equity attributable to equity holders of the Company amounted to $1,264.8 million, $35.9 million or 2.9% higher than at 31 March 2009.

Total assets increased by $58.8 million or 3.9% to $1,561.0 million. Net asset value per share of 117.0 cents was 3.0 cents or 2.6% higher than at 31 March 2009. The total number of shares issued was 1,081.5 million as at 31 March 2010.

The Company has no borrowings and the cash balance of the Group as at 31 March 2010 amounted to $425.8 million.

DIVIDEND

The Board of SIAEC is recommending a final ordinary dividend of 13.0 cents per share (tax exempt one-tier). Together with the interim dividend of 5.0 cents per share (tax exempt one-tier) paid earlier, the total dividend payment for FY2009-10 will be 18.0 cents per share. This is an increase of 2.0 cents per share over the dividend paid in FY2008-09.

Payment of the final dividend, which amounts to approximately $140.6 million, is subject to shareholders' approval at the Annual General Meeting on 23 July 2010. The dividend will be paid on 11 August 2010.

OUTLOOK

The Group continues to strengthen its competitiveness by investing in servicing new engine types, strategic joint ventures and infrastructure development. We will continue with our efforts to improve productivity and manage costs. With the upturn in travel demand and increase in flights at Changi, the business outlook for the Group is favourable.

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(For the complete fourth quarter and financial year 2009-10 financial statements, please refer to our SGXNET Filing or the Investor Relations page of our website at www.siaec.com.sg).

For more information, please contact:
Chia Peck Yong
Senior Manager Public Affairs
SIA Engineering Company
Tel: (65) 6541-5134
Fax: (65) 6546-0679
Mobile: 9863-0982
E-mail: peckyong_chia@singaporeair.com.sg

Company Registration No: 198201025C

GROUP FINANCIAL STATISTICS

	4th Quarter 2009-10	4th Quarter 2008-09	FY 2009-10	FY 2008-09
Financial Results ($ million)				
Total revenue	272.6	245.8	1,006.4	1,045.3
Total expenditure	231.4	219.1	896.0	932.7
Operating profit	41.2	26.7	110.4	112.6
Non-operating items	6.3	0.8	7.0	4.0
Dividend income from long term investment	2.8	1.6	15.5	11.1
Share of profits of joint venture companies	15.0	19.9	56.1	63.9
Share of profits of associated companies	13.4	27.9	73.6	109.1
Profit before taxation	78.7	76.9	262.6	300.7
Profit attributable to equity holders of the Company	73.9	65.5	236.1	260.6
Per Share Data				
Earnings before tax (cents)	7.29	7.13	24.33	27.91
Earnings after tax (cents) - basic [R1]	6.85	6.09	21.88	24.20
- diluted [R2]	6.79	6.08	21.76	24.07

	As at 31 Mar 2010	As at 31 Mar 2009
Financial Position ($ million)		
Share capital	262.9	255.6
Reserves		
General reserve	1,036.1	971.9
Share-based compensation reserve	45.4	39.6
Foreign currency translation reserve	(79.8)	(36.4)
Fair value reserve	0.2	(1.8)
Equity attributable to equity holders of the Company	1,264.8	1,228.9
Total assets	1,561.0	1,502.2
Net asset value per share (cents) [R3]	117.0	114.0

[R1] Earnings after tax per share (basic) is computed by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue.

[R2] Earnings after tax per share (diluted) is computed by dividing profit attributable to equity holders of the Company 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 equity holders of the Company by the number of ordinary shares in issue.