

## News Release

### ST Engineering reports lower year-on-year profits for 3Q2014

FINANCIAL HIGHLIGHTS For the quarter ended 30 September 2014						
	2014 3Q	2013 3Q	Growth %	2014 9M	2013 9M	Growth %
Revenue (\$m)	1,553	1,550	-	4,691	4,692	-
Earnings before interest and tax (EBIT) (\$m)	142.9	157.9	(10)	424.6	478.8	(11)
Other income, net (\$m)	4.7	4.7	-	27.7	19.3	43
Finance costs, net (\$m)	(7.6)	(3.8)	(99)	(10.8)	(11.3)	5
Profit before tax (PBT) (\$m)	151.7	168.0	(10)	483.3	513.6	(6)
Profit attributable to shareholders (\$m)	121.3	131.4	(8)	391.7	413.3	(5)
Earnings per share (cents)	3.89	4.24	(8)	12.57	13.34	(6)

- Commercial sales constituted 58% or \$0.9 billion of 3Q2014 revenue
- Order book of \$13.2 billion at end September 2014, of which about \$1.6 billion is expected to be delivered in the last quarter of 2014
- Cash and cash equivalents including funds under management totalled \$1.6 billion
- Advance payments from customers totalled \$1.7 billion

N.B.: All currencies are in Singapore dollars

**Singapore, 7 November 2014** - Singapore Technologies Engineering Ltd (ST Engineering) today reported that financial results for its third quarter ended 30 September 2014 (3Q2014) came in with lower profit before tax (PBT) and net profit after tax (Net profit) on the back of a comparable revenue of \$1.55b against the same period last year. Quarterly PBT was \$151.7m, down 10% from \$168m, and Quarterly Net profit was \$121.3m, down 8% from \$131.4m.

### **3Q2014 versus 3Q2013**

Group revenue was flat even though the Marine sector recorded higher revenue of \$336m, which was largely offset by lower revenue recorded by the Aerospace sector. Revenue for the Aerospace sector was \$470m, down 8% from \$510m mainly attributable to the Component/Engine Repair & Overhaul business group which generated lower revenue. Revenues for the Electronics and Land Systems sectors were comparable year-on-year.

The weaker performance in the Aerospace sector's European operations impacted its PBT, which saw a 19% drop to \$63.5m from \$78.5m a year ago. This in turn impacted the Group PBT even though the Electronics sector enjoyed a 9% increase in PBT to \$47m from \$43m, and that both the Land Systems and Marine sectors reported comparable PBT against the same period last year.

During the third quarter, commercial sales accounted for 58% or \$0.9b of 3Q2014 revenue.

### **9M2014 versus 9M2013**

On a nine months basis, Group revenue against the same period last year was comparable at \$4.69b. Revenues for the Aerospace and Electronics sectors were comparable, while revenue for the Land Systems sector was 10% lower at \$975m from \$1.1b, and revenue for the Marine sector was 17% higher at \$1b from \$861m.

Group PBT for 9M2014 was \$483.3m or 6% lower against \$513.6m in the same period last year, as all its business sectors posted lower PBT of between 9% and 24%, with the exception of the Electronics sector. The Electronics sector reported comparable PBT.

*“For the third quarter, the Group reported year-on-year comparable Revenue and a decrease in PBT of 10%. For the first nine months of the year, the Group reported year-on-year comparable Revenue and a decrease in PBT of 6%.*

*The weak economic environment in Europe had impacted our aviation business in the third quarter. We will continue to review the aerospace sector’s European business.*

*The Group maintained a healthy order book of \$13.2b at the end of the third quarter 2014. Our cash and cash equivalents including funds under management remained high at \$1.6b, after the payment of an interim dividend of \$125m in September 2014.*

*Barring unforeseen circumstances, the Group expects to achieve comparable Revenue, with a lower PBT for FY2014 when compared to FY2013.”*

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

### **Business Highlights**

The Group’s order book was \$13.2b as at end September, of which it expects to deliver about \$1.6b in the last quarter of 2014.

During the third quarter, the Group continued to build up new business wins across the business sectors. The Aerospace sector announced contracts worth \$450m for new orders that span the sector’s repertoire of capabilities covering airframe, component and engine maintenance, freighter conversion, cabin modification, engine wash and pilot training. The Electronics sector announced \$513m of contracts for its rail electronics and intelligent transportation, satellite and broadband communications, as well as advanced electronics and ICT solutions. The Marine sector announced contracts to build two 130-foot Articulated Tug Barges tugs for Bouchard Transportation Co., Inc. in its US yards.

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**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 46 cities across 24 countries. Please visit [www.stengg.com](http://www.stengg.com) for more information.

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## FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

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**SINGAPORE TECHNOLOGIES ENGINEERING LTD**  
**UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

**1 CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	<b>GROUP</b>					
	<b>3Q2014</b>	<b>3Q2013</b>	<b>+ / (-)</b>	<b>9M2014</b>	<b>9M2013</b>	<b>+ / (-)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>	<b>1,552,926</b>	<b>1,549,882</b>	<b>0.2</b>	<b>4,691,107</b>	<b>4,691,947</b>	<b>-</b>
Cost of sales	(1,219,685)	(1,202,292)	1.4	(3,691,096)	(3,654,424)	1.0
<b>Gross profit</b>	<b>333,241</b>	<b>347,590</b>	<b>(4.1)</b>	<b>1,000,011</b>	<b>1,037,523</b>	<b>(3.6)</b>
Distribution and selling expenses	(42,139)	(43,338)	(2.8)	(136,506)	(125,229)	9.0
Administrative expenses	(112,733)	(116,139)	(2.9)	(346,151)	(350,445)	(1.2)
Other operating expenses (refer para 1.7)	(35,484)	(30,209)	17.5	(92,793)	(83,043)	11.7
<b>Profit from operations</b>	<b>142,885</b>	<b>157,904</b>	<b>(9.5)</b>	<b>424,561</b>	<b>478,806</b>	<b>(11.3)</b>
Other income	9,701	7,335	32.3	32,720	22,872	43.1
Other expenses	(5,000)	(2,624)	90.5	(5,000)	(3,549)	40.9
Other income, net	4,701	4,711	(0.2)	27,720	19,323	43.5
Finance income	38,985	20,747	87.9	50,176	46,117	8.8
Finance costs	(46,541)	(24,541)	89.6	(60,927)	(57,404)	6.1
Finance income/(costs), net	(7,556)	(3,794)	99.2	(10,751)	(11,287)	(4.7)
Share of results of associates and joint ventures, net of tax	11,649	9,174	27.0	41,777	26,744	56.2
<b>Profit before taxation</b>	<b>151,679</b>	<b>167,995</b>	<b>(9.7)</b>	<b>483,307</b>	<b>513,586</b>	<b>(5.9)</b>
Taxation	(31,564)	(35,398)	(10.8)	(91,792)	(97,485)	(5.8)
<b>Profit for the period</b>	<b>120,115</b>	<b>132,597</b>	<b>(9.4)</b>	<b>391,515</b>	<b>416,101</b>	<b>(5.9)</b>
Attributable to:						
<b>Shareholders of the Company</b>	<b>121,299</b>	<b>131,401</b>	<b>(7.7)</b>	<b>391,680</b>	<b>413,310</b>	<b>(5.2)</b>
Non-controlling interests	(1,184)	1,196	(199.0)	(165)	2,791	(105.9)
	<b>120,115</b>	<b>132,597</b>	<b>(9.4)</b>	<b>391,515</b>	<b>416,101</b>	<b>(5.9)</b>

**1(a) BREAKDOWN AND EXPLANATORY NOTES TO CONSOLIDATED INCOME STATEMENT**

		GROUP					
		3Q2014	3Q2013	+ / (-)	9M2014	9M2013	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
1.1	Profit from operations is arrived at after charging the following:						
	Depreciation and amortisation	41,022	33,987	20.7	122,321	101,616	20.4
	The higher depreciation and amortisation in 3Q2014 mainly came from Aerospace, Electronics and Marine sectors.						
	Allowance for doubtful debts & bad debts written off, net	5,328	2,805	89.9	10,617	2,700	293.2
	The higher allowance for doubtful debts, net in 3Q2014 mainly came from Aerospace, Electronics and Land Systems sectors.						
	Allowance for inventory obsolescence, net	17,164	1,934	> 500	31,665	12,240	158.7
	The higher allowance for inventory obsolescence, net in 3Q2014 mainly came from Aerospace and Land Systems sectors.						
	Impairment losses / write-off of intangible assets	7,478	149	> 500	7,478	149	> 500
	The impairment losses / write-off of intangible assets in 3Q2014 came from Aerospace and Land Systems sectors.						
1.2	Finance costs, net comprises:						
	Interest income	5,669	6,734	(15.8)	18,618	20,237	(8.0)
	Foreign exchange (loss) / gain, net	(4,340)	2,975	(245.9)	(2,879)	522	<-500
	Fair value changes of financial instruments / hedged items	852	(1,687)	(150.5)	451	(1,523)	(129.6)
	Gain on disposal of investments, net	157	110	42.7	2,640	4,532	(41.7)
	(Impairment losses) / write-back of impairment losses on investments	(632)	-	NM	(632)	9	<-500
	Interest expenses	(9,245)	(11,960)	(22.7)	(29,011)	(35,145)	(17.5)
	Others	(17)	34	(150.0)	62	81	(23.5)
		<u>(7,556)</u>	<u>(3,794)</u>	99.2	<u>(10,751)</u>	<u>(11,287)</u>	(4.7)
1.3	Profit for the period as a percentage of revenue	7.7%	8.6%		8.3%	8.9%	
1.4	Profit attributable to shareholders as a percentage of share capital and reserves at end of the period	6.2%	6.9%		20.0%	21.6%	
1.5	The Group's tax charge in 3Q2014 included adjustments for underprovision of deferred tax of \$1.7 million in respect of prior years (3Q2013: adjustments for underprovision of current tax of \$0.6 million and overprovision of deferred tax of \$0.7 million).						
1.6	There was no disposal of property during the period.						
1.7	The higher 3Q2014 other operating expenses of \$35.5 million compared to \$30.2 million in 3Q2013 was mainly due to impairment losses on intangible assets in Land Systems sector of \$6.3 million.						
NM	Not Meaningful						

**1(b) BREAKDOWN OF REVENUE AND PROFIT FOR THE PERIOD**

	<b>GROUP</b>		
	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>+ / (-)</b> %
Revenue reported for first half year	3,138,181	3,142,065	(0.1)
Profit for the period reported for first half year	271,400	283,504	(4.3)
Revenue reported for third quarter	1,552,926	1,549,882	0.2
Profit for the period reported for third quarter	120,115	132,597	(9.4)
Revenue reported for first nine months	4,691,107	4,691,947	-
Profit for the period reported for first nine months	391,515	416,101	(5.9)

**1(c) EARNINGS PER ORDINARY SHARE (EPS)**

	<b>GROUP</b>				
	<b>3Q2014</b>	<b>3Q2013</b>	<b>9M2014</b>	<b>9M2013</b>	<b>FY2013</b>
EPS based on profit attributable to shareholders:	Cents	Cents	Cents	Cents	Cents
(i) Based on weighted average number of ordinary shares on issue	3.89	4.24	12.57	13.34	18.73
(ii) On a fully diluted basis	3.89	4.23	12.55	13.31	18.67



## 2 BALANCE SHEETS

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30-Sep-14</b>	<b>31-Dec-13</b>	<b>30-Sep-14</b>	<b>31-Dec-13</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,536,736	1,520,404	4,897	1,434
Subsidiaries	-	-	1,192,130	927,728
Associates and joint ventures	455,714	462,139	17,657	17,657
Investments	171,277	166,033	-	-
Intangible assets	660,354	638,408	-	-
Long-term receivables, non-current	6,399	12,528	-	-
Finance lease receivables, non-current	1,912	2,679	-	-
Deferred tax assets	96,521	95,634	6,700	7,200
Amounts due from related parties, non-current	7,231	7,430	1,000	258,874
Derivative financial instruments, non-current	9,871	39,978	75	77
	<b>2,946,015</b>	<b>2,945,233</b>	<b>1,222,459</b>	<b>1,212,970</b>
<b>Current assets</b>				
Inventories and work-in-progress	1,962,336	1,807,509	-	-
Trade receivables	1,097,770	1,221,937	-	-
Amounts due from related parties, current	47,037	40,076	342,267	504,498
Advances and other receivables	621,122	598,210	2,121	9,827
Long-term receivables, current	12,484	12,508	-	-
Finance lease receivables, current	6,455	16,447	-	-
Short-term investments	37,897	134,581	-	-
Bank balances and other liquid funds	1,433,730	1,930,140	270,408	470,124
	<b>5,218,831</b>	<b>5,761,408</b>	<b>614,796</b>	<b>984,449</b>
<b>TOTAL ASSETS</b>	<b>8,164,846</b>	<b>8,706,641</b>	<b>1,837,255</b>	<b>2,197,419</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Advance payments from customers, current	783,733	878,895	-	-
Trade payables and accruals, current	1,567,138	1,604,740	23,816	25,017
Amounts due to related parties, current	25,002	24,953	188,076	98,946
Provisions	217,539	218,910	-	-
Progress billings in excess of work-in-progress	877,994	734,725	-	-
Provision for taxation	149,867	197,139	7,761	11,666
Short-term bank loans	28,994	139,842	-	-
Long-term bank loans, current	30,578	292,789	-	-
Lease obligations, current	1,032	1,321	-	-
Other loans, current	260	369	-	-
	<b>3,682,137</b>	<b>4,093,683</b>	<b>219,653</b>	<b>135,629</b>
<b>NET CURRENT ASSETS</b>	<b>1,536,694</b>	<b>1,667,725</b>	<b>395,143</b>	<b>848,820</b>

## 2 **BALANCE SHEETS** (cont'd)

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30-Sep-14</b>	<b>31-Dec-13</b>	<b>30-Sep-14</b>	<b>31-Dec-13</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current liabilities</b>				
Advance payments from customers, non-current	939,315	857,496	-	-
Trade payables and accruals, non-current	301,073	353,701	17,006	18,817
Deferred tax liabilities	98,313	94,867	-	-
Bonds	635,000	631,283	-	-
Long-term bank loans, non-current	289,528	288,867	-	-
Lease obligations, non-current	17,539	18,150	-	-
Other loans, non-current	461	564	-	-
Deferred income	93,603	83,695	-	-
Other long-term payables, non-current	1,500	1,500	-	-
Derivative financial instruments, non-current	9,558	22,515	-	-
Amounts due to related parties, non-current	-	406	404,756	553,192
	<b>2,385,890</b>	<b>2,353,044</b>	<b>421,762</b>	<b>572,009</b>
<b>TOTAL LIABILITIES</b>	<b>6,068,027</b>	<b>6,446,727</b>	<b>641,415</b>	<b>707,638</b>
<b>NET ASSETS</b>	<b>2,096,819</b>	<b>2,259,914</b>	<b>1,195,840</b>	<b>1,489,781</b>
<b>Share capital and reserves</b>				
Share capital	888,140	852,611	888,140	852,611
Capital reserves	116,323	116,323	-	-
Other reserves	(128,194)	(44,651)	66,852	72,754
Retained earnings	1,084,781	1,191,958	240,848	564,416
	<b>1,961,050</b>	<b>2,116,241</b>	<b>1,195,840</b>	<b>1,489,781</b>
Non-controlling interests	135,769	143,673	-	-
	<b>2,096,819</b>	<b>2,259,914</b>	<b>1,195,840</b>	<b>1,489,781</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,164,846</b>	<b>8,706,641</b>	<b>1,837,255</b>	<b>2,197,419</b>

### 2(a) **ANALYSIS OF BALANCE SHEETS**

Compared to 31 December 2013, the decrease in net current assets was mainly attributable to decreases in trade receivables, bank balances and other liquid funds and increase in progress billings in excess of work-in-progress, but these were partially offset by increase in inventories and work-in-progress as well as decreases in advance payments from customers, current, short-term banks loans and current portion of long-term bank loans.

**2(b) GROUP BORROWINGS**

	<b>As at 30-Sep-14 \$'000</b>	<b>As at 31-Dec-13 \$'000</b>
<b><u>Amount repayable within one year</u></b>		
Secured	17,588	28,534
Unsecured	43,276	405,787
	<u>60,864</u>	<u>434,321</u>
<b><u>Amount repayable after one year</u></b>		
Secured	78,061	79,290
Unsecured	864,467	859,574
	<u>942,528</u>	<u>938,864</u>
<b>Total</b>	<u>1,003,392</u>	<u>1,373,185</u>

**2(c) NET ASSET VALUE**

	<b>GROUP</b>		
	<b>3Q2014</b>	<b>3Q2013</b>	<b>FY2013</b>
	Cents	Cents	Cents
Net asset value per ordinary share at end of the financial period/year	62.86	61.71	68.14

	<b>COMPANY</b>		
	<b>3Q2014</b>	<b>3Q2013</b>	<b>FY2013</b>
	Cents	Cents	Cents
Net asset value per ordinary share at end of the financial period/year	38.33	36.14	47.97

**3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	GROUP			
	3Q2014	3Q2013	9M2014	9M2013
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Profit before taxation	151,679	167,995	483,307	513,586
<u>Adjustments:</u>				
Share of results of associates and joint ventures, net of tax	(11,649)	(9,174)	(41,777)	(26,744)
Depreciation charge	37,720	30,128	112,140	90,829
Property, plant and equipment written off	51	144	136	1,491
Gain on disposal of property, plant and equipment	(779)	(1,216)	(1,276)	(1,285)
Gain on disposal of investments	(157)	(110)	(2,640)	(4,532)
Gain on disposal of a joint venture	(2,731)	-	(2,731)	-
Impairment losses on goodwill	6,292	149	6,292	149
Goodwill written off	1,186	-	1,186	-
Impairment losses on an associate	5,000	1,546	5,000	1,546
Impairment losses/(write-back) of impairment losses on investments	632	-	632	(9)
Write-back of impairment losses of property, plant and equipment	(152)	(124)	(152)	(159)
Share-based payment expense	5,020	4,097	13,484	11,245
Changes in fair value of financial instruments and hedged items	(852)	1,687	(451)	1,523
Changes in fair value of financial instruments held for trading	17	(34)	(61)	(81)
Interest expenses	9,245	11,960	29,011	35,145
Interest income	(5,669)	(6,734)	(18,618)	(20,237)
Dividends from investments	-	-	(1)	-
Amortisation of other intangible assets	3,302	3,859	10,181	10,787
Operating profit before working capital changes	198,155	204,173	593,662	613,254
<u>(Increase)/decrease in:</u>				
Inventories and work-in-progress	(367)	(54,297)	(139,251)	(81,000)
Progress billings in excess of work-in-progress	9,635	12,924	143,269	(29,324)
Trade receivables	(89,879)	52,795	124,167	161,078
Advance payments to suppliers	(25,337)	(56,459)	(78,130)	(67,364)
Other receivables, deposits and prepayments	4,536	15,991	(255)	(7,972)
Holding company and related corporations balances, net	2,835	(4,551)	6,597	(3,253)
Amount due from associates	(1,776)	(1,148)	(2,219)	(5,592)
Amount due from joint ventures	(5,917)	1,609	(14,008)	2,965
Trade payables	8,466	79,021	33,687	47,494
Advance payments from customers	(34,731)	(41,669)	(13,343)	164,870
Other payables, accruals and provisions	6,608	44,517	(117,091)	(26,498)
Loans to staff and third parties	(140)	121	6,202	5,428
Deferred income	6,735	455	5,351	15,685
Foreign currency translation of foreign operations	(8,339)	4,214	(7,659)	8,438
Cash generated from operations	70,484	257,696	540,979	798,209
Interest received	6,892	7,562	22,884	20,118
Income tax paid	(37,661)	(40,423)	(124,953)	(108,586)
<b>Net cash from operating activities</b>	<b>39,715</b>	<b>224,835</b>	<b>438,910</b>	<b>709,741</b>

3 **CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**  
(cont'd)

	GROUP			
	3Q2014	3Q2013	9M2014	9M2013
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment	2,222	3,384	3,359	9,631
Proceeds from sale of an investment property	-	-	22,000	-
Proceeds from sale and maturity of investments	23,597	20,284	140,503	69,827
Repayment of loan from a joint venture	-	-	3,136	-
Dividends from associates and joint ventures	6,764	5,984	30,246	31,992
Dividends from investments	-	-	1	-
Purchase of property, plant and equipment	(39,220)	(82,206)	(151,228)	(211,806)
Purchase of investments	(27,478)	(9,734)	(47,897)	(56,062)
Investment in associates	-	(304)	-	(7,936)
Investment in a joint venture	(622)	(1,794)	(622)	(7,613)
Acquisition of other intangible assets	(8,330)	(1,725)	(24,563)	(51,880)
Acquisition of controlling interests in subsidiary, net of cash acquired	-	(593)	(1,008)	(593)
<b>Net cash used in investing activities</b>	<b>(43,067)</b>	<b>(66,704)</b>	<b>(26,073)</b>	<b>(224,440)</b>
<b>Cash flows from financing activities</b>				
Capital contribution from non-controlling interests of subsidiaries	84	6,901	2,561	22,611
Repayment of other loans	(146)	(29)	(218)	(215)
Repayment of bank loans	(17,376)	(29,038)	(406,641)	(158,809)
Repayment of lease obligations	(375)	(9)	(972)	(67)
Repayment of loan to a joint venture	(824)	-	(824)	-
Proceeds from issue of shares	2,844	3,710	16,143	50,784
Proceeds from bank loans	18,995	38,774	35,334	206,101
Acquisition of non-controlling interests in subsidiary	(194)	-	(194)	-
Dividends paid to shareholders of the Company	(124,775)	(93,153)	(498,857)	(521,290)
Dividends paid to non-controlling interests	(4,032)	(288)	(9,380)	(5,471)
Interest paid	(16,372)	(18,616)	(35,533)	(41,934)
Deposit pledged	102	660	(2,027)	600
<b>Net cash used in financing activities</b>	<b>(142,069)</b>	<b>(91,088)</b>	<b>(900,608)</b>	<b>(447,690)</b>
Net (decrease)/increase in cash and cash equivalents	(145,421)	67,043	(487,771)	37,611
Cash and cash equivalents at beginning of the period	1,567,379	1,682,505	1,920,924	1,700,950
Exchange difference on cash and cash equivalents at beginning of the period	529	1,650	(10,666)	12,637
<b>Cash and cash equivalents at end of the period</b>	<b>1,422,487</b>	<b>1,751,198</b>	<b>1,422,487</b>	<b>1,751,198</b>

3(a) **ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS**

Compared to 3Q2013, net cash from operating activities of \$40 million in 3Q2014 was lower by \$185 million. This was mainly due to unfavourable working capital movements arising mainly from the negative variances in trade receivables and trade payables, but these were partially offset by positive variance in advance payments to suppliers.

The Group's net cash used in investing activities of \$43 million in 3Q2014 was lower than that of 3Q2013 by \$24 million. The lower cash outflow was mainly attributable to lower acquisition of property, plant and equipment but partially offset by higher purchase of investments.

### 3(a) **ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS** (cont'd)

The Group's net cash used in financing activities of \$142 million in 3Q2014 was higher than that of 3Q2013 by \$51 million, mainly attributable to reduced bank loans and higher interim dividends paid to shareholders.

Compared to end 2Q2014, the cash and cash equivalents as at end of 3Q2014 at \$1,422 million was \$145 million lower, following the payment of 2014 interim dividends of \$125 million in September 2014.

### 4 **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

The Statement of Comprehensive Income included as part of the results announcement is in compliance with the Singapore Financial Reporting Standards (FRS).

	GROUP					
	3Q2014 \$'000	3Q2013 \$'000	+ / (-) %	9M2014 \$'000	9M2013 \$'000	+ / (-) %
Profit for the period	120,115	132,597	(9.4)	391,515	416,101	(5.9)
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Net fair value changes on available-for-sale financial assets	(1,237)	2,412	(151.3)	(1,111)	(5,881)	(81.1)
Net fair value changes on cash flow hedges	(46,458)	22,314	(308.2)	(60,813)	31,187	(295.0)
Foreign currency translation differences	10,496	(5,967)	(275.9)	(18,230)	37,010	(149.3)
Share of foreign currency translation differences of associates and joint ventures	3,125	792	294.6	1,787	7,459	(76.0)
Other comprehensive income for the period, net of tax	(34,074)	19,551	(274.3)	(78,367)	69,775	(212.3)
<b>Total comprehensive income for the period, net of tax</b>	<b>86,041</b>	<b>152,148</b>	<b>(43.4)</b>	<b>313,148</b>	<b>485,876</b>	<b>(35.5)</b>
<b>Total comprehensive income attributable to:</b>						
Shareholders of the Company	86,622	150,807	(42.6)	314,106	480,946	(34.7)
Non-controlling interests	(581)	1,341	(143.3)	(958)	4,930	(119.4)
	<b>86,041</b>	<b>152,148</b>	<b>(43.4)</b>	<b>313,148</b>	<b>485,876</b>	<b>(35.5)</b>

**5 STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

Group	Share capital \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>At 1.7.2013</b>	<b>847,443</b>	<b>116,323</b>	<b>(99,322)</b>	<b>986,416</b>	<b>1,850,860</b>	<b>135,598</b>	<b>1,986,458</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	131,401	131,401	1,196	132,597
<b>Other comprehensive income</b>							
Net fair value changes on available-for-sale financial assets	-	-	2,412	-	2,412	-	2,412
Net fair value changes on cash flow hedges	-	-	21,765	-	21,765	549	22,314
Foreign currency translation differences	-	-	(5,563)	-	(5,563)	(404)	(5,967)
Share of foreign currency translation differences of associates and joint ventures	-	-	792	-	792	-	792
<i>Other comprehensive income for the period, net of tax</i>	-	-	19,406	-	19,406	145	19,551
<b>Total comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>19,406</b>	<b>131,401</b>	<b>150,807</b>	<b>1,341</b>	<b>152,148</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>							
<b>Contributions by and distributions to owners of the Company</b>							
Issue of shares	3,719	-	(9)	-	3,710	-	3,710
Capital contribution by non-controlling interests	-	-	-	-	-	6,901	6,901
Cost of share-based payment	-	-	4,068	-	4,068	29	4,097
Dividends paid	-	-	-	(93,153)	(93,153)	-	(93,153)
Dividends paid to non-controlling interests	-	-	-	-	-	(288)	(288)
<i>Total contributions by and distributions to owners of the Company</i>	<i>3,719</i>	<i>-</i>	<i>4,059</i>	<i>(93,153)</i>	<i>(85,375)</i>	<i>6,642</i>	<i>(78,733)</i>
<b>Changes in ownership interests in subsidiaries</b>							
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	(426)	(426)
Disposal of a subsidiary	-	-	-	-	-	(1,354)	(1,354)
<i>Total transactions with owners of the Company</i>	<i>3,719</i>	<i>-</i>	<i>4,059</i>	<i>(93,153)</i>	<i>(85,375)</i>	<i>4,862</i>	<i>(80,513)</i>
<b>At 30.9.2013</b>	<b>851,162</b>	<b>116,323</b>	<b>(75,857)</b>	<b>1,024,664</b>	<b>1,916,292</b>	<b>141,801</b>	<b>2,058,093</b>

**5 STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (cont'd)**

Group	Share capital \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>At 1.7.2014</b>	<b>884,574</b>	<b>116,323</b>	<b>(97,788)</b>	<b>1,088,257</b>	<b>1,991,366</b>	<b>140,465</b>	<b>2,131,831</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	121,299	121,299	(1,184)	120,115
<b>Other comprehensive income</b>							
Net fair value changes on available-for-sale financial assets	-	-	(1,237)	-	(1,237)	-	(1,237)
Net fair value changes on cash flow hedges	-	-	(45,479)	-	(45,479)	(979)	(46,458)
Foreign currency translation differences	-	-	8,914	-	8,914	1,582	10,496
Share of foreign currency translation differences of associates and joint ventures	-	-	3,125	-	3,125	-	3,125
<i>Other comprehensive income for the period, net of tax</i>	-	-	(34,677)	-	(34,677)	603	(34,074)
<b>Total comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>(34,677)</b>	<b>121,299</b>	<b>86,622</b>	<b>(581)</b>	<b>86,041</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>							
<b>Contributions by and distributions to owners of the Company</b>							
Issue of shares	3,566	-	(722)	-	2,844	-	2,844
Capital contribution by non-controlling interests	-	-	-	-	-	84	84
Cost of share-based payment	-	-	4,993	-	4,993	27	5,020
Dividends paid	-	-	-	(124,775)	(124,775)	-	(124,775)
Dividends paid to non-controlling interests	-	-	-	-	-	(4,032)	(4,032)
<i>Total contributions by and distributions to owners of the Company</i>	<i>3,566</i>	<i>-</i>	<i>4,271</i>	<i>(124,775)</i>	<i>(116,938)</i>	<i>(3,921)</i>	<i>(120,859)</i>
<b>Changes in ownership interests in subsidiaries</b>							
Acquisition of non-controlling interests in subsidiaries representing total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	(194)	(194)
<i>Total transactions with owners of the Company</i>	<i>3,566</i>	<i>-</i>	<i>4,271</i>	<i>(124,775)</i>	<i>(116,938)</i>	<i>(4,115)</i>	<i>(121,053)</i>
<b>At 30.9.2014</b>	<b>888,140</b>	<b>116,323</b>	<b>(128,194)</b>	<b>1,084,781</b>	<b>1,961,050</b>	<b>135,769</b>	<b>2,096,819</b>



5 **STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**  
(cont'd)

<b>Company</b>	<b>Share capital</b> \$'000	<b>Share-based payment reserve</b> \$'000	<b>Retained earnings</b> \$'000	<b>Total equity</b> \$'000
<b>At 1.7.2013</b>	<b>847,443</b>	<b>64,400</b>	<b>296,555</b>	<b>1,208,398</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	(650)	(650)
Total comprehensive income for the period	-	-	(650)	(650)
<b>Transactions with owners of the Company, recognised directly in equity</b>				
<b>Contributions by and distributions to owners of the Company</b>				
Issue of shares	3,719	(9)	-	3,710
Cost of share-based payment	-	4,097	-	4,097
Dividends paid	-	-	(93,153)	(93,153)
<i>Total contributions by and distributions to owners of the Company</i>	3,719	4,088	(93,153)	(85,346)
<b>At 30.9.2013</b>	<b>851,162</b>	<b>68,488</b>	<b>202,752</b>	<b>1,122,402</b>
<b>At 1.7.2014</b>	<b>884,574</b>	<b>62,554</b>	<b>370,427</b>	<b>1,317,555</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	(4,804)	(4,804)
Total comprehensive income for the period	-	-	(4,804)	(4,804)
<b>Transactions with owners of the Company, recognised directly in equity</b>				
<b>Contributions by and distributions to owners of the Company</b>				
Issue of shares	3,566	(722)	-	2,844
Cost of share-based payment	-	5,020	-	5,020
Dividends paid	-	-	(124,775)	(124,775)
<i>Total contributions by and distributions to owners of the Company</i>	3,566	4,298	(124,775)	(116,911)
<b>At 30.9.2014</b>	<b>888,140</b>	<b>66,852</b>	<b>240,848</b>	<b>1,195,840</b>

## 5(a) CHANGES IN COMPANY'S SHARE CAPITAL

### Issued and paid up capital

As at 30 September 2014, the Company had an issued share capital of 3,119,526,506 ordinary shares (31 December 2013: 3,105,903,530 ordinary shares).

As at 30 September 2014, the Company did not hold any treasury shares (30 September 2013: Nil).

	<b>Number of shares for the quarter ended 30.9.2014</b>
As at beginning of the quarter	3,118,110,878
Issue of shares under the terminated Singapore Technologies Engineering Share Option Plan (ESOP)	1,218,411
Issue of shares under the Singapore Technologies Engineering Restricted Share Plan 2010 (RSP 2010)	197,217
<b>As at end of the quarter</b>	<b>3,119,526,506</b>

### Share Option Plan

As at 30 September 2014, there were 24,013,923 (30 September 2013: 31,098,591) unexercised options of unissued ordinary shares under ESOP.

### Performance Share Plan

#### (i) *Singapore Technologies Engineering Performance Share Plan 2010 (PSP 2010)*

As at 30 September 2014, the total number of contingent shares granted conditionally but not released was 3,447,252 (30 September 2013: 3,839,401). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 5,860,328 (30 September 2013: 6,526,981) ordinary shares of the Company.

### Restricted Stock Plan

#### (i) *Singapore Technologies Engineering Restricted Stock Plan (RSP 2000)*

As at 30 September 2014, the total number of awards released but not vested was nil (30 September 2013: 1,709,827) ordinary shares of the Company.

#### (ii) *Singapore Technologies Engineering Restricted Share Plan 2010 (RSP 2010)*

As at 30 September 2014, the total number of contingent shares granted conditionally but not released was 10,057,872 (30 September 2013: 8,597,321). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 14,351,197 (30 September 2013: 12,893,481) ordinary shares.

As at 30 September 2014, the total number of awards released but not vested was 3,207,271 (30 September 2013: 3,308,360) ordinary shares of the Company.

6 **AUDIT**

The figures have not been audited or reviewed by the Company's auditors.

7 **AUDITORS' REPORT**

Not applicable.

8 **ACCOUNTING POLICIES**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2013 except for the adoption of FRS and INT FRS that are mandatory for financial year beginning on or after 1 January 2014. The adoption of these FRS and INT FRS has no significant impact on the financial statements.

9 **CHANGES IN ACCOUNTING POLICIES**

Not applicable.

## 10 REVIEW OF GROUP PERFORMANCE

### 10(a) Revenue

#### 3Q2014 vs 3Q2013

\$m	3Q2014	3Q2013	Growth	
Aerospace	470	510	(40)	(8%)
Electronics	354	350	4	1%
Land Systems	357	348	9	2%
Marine	336	296	40	14%
Others	36	46	(10)	(20%)
<b>Total</b>	<b>1,553</b>	<b>1,550</b>	<b>3</b>	<b>-</b>

Group's revenue of \$1,553 million for 3Q2014 was comparable to that of 3Q2013. Higher revenue from Marine sector was largely offset by lower revenue recorded by Aerospace sector, while revenue for Electronics and Land Systems sectors were comparable. The lower revenue under "Others" was mainly attributable to Miltope.

Aerospace sector's 3Q2014 revenue of \$470 million was 8% or \$40 million lower than that of 3Q2013, mainly attributable to lower revenue in the **Component/Engine Repair & Overhaul** business group.

3Q2014 revenue of \$354 million for the Electronics sector was comparable to that of 3Q2013. The higher revenue from **Large-Scale Systems Group (LSG)** and **Software Systems Group (SSG)** was largely offset by lower revenue from **Communication & Sensor Systems Group (CSG)**. The higher **LSG** revenue was mainly due to milestone completions of the Land Transport Authority's Circle Line project and the MRT projects in Bangkok and Wuxi, while milestone completions of various software system projects accounted for the higher revenue in **SSG**. For **CSG**, the lower revenue was mainly attributable to lower sales of satellite communication products.

Land Systems sector's 3Q2014 revenue of \$357 million was comparable to that achieved in 3Q2013. The higher revenue recorded by **Munitions & Weapon** business group from higher project deliveries, was partially offset by lower revenue in the **Automotive** and **Services, Trading & Others** business groups.

Revenue of Marine sector in 3Q2014 of \$336 million was higher than that of 3Q2013 by 14% or \$40 million, due mainly to higher **Shipbuilding** revenue from the local operation as well as higher **Engineering** revenue, but partially offset by lower **Shiprepair** revenue.

## 10 REVIEW OF GROUP PERFORMANCE (cont'd)

### 10(b) Profitability

#### 3Q2014 vs 3Q2013

\$m	3Q2014	3Q2013	Growth	
Aerospace	63.5	78.5	(15.0)	(19%)
Electronics	47.0	43.0	4.0	9%
Land Systems	18.1	17.5	0.6	3%
Marine	32.7	34.0	(1.3)	(4%)
Others	(9.6)	(5.0)	(4.6)	(91%)
<b>Total</b>	<b>151.7</b>	<b>168.0</b>	<b>(16.3)</b>	<b>(10%)</b>

Group's profit before tax (PBT) for 3Q2014 of \$151.7 million was lower than that of 3Q2013 by 10% or \$16.3 million. Lower PBT recorded by Aerospace sector was partially offset by higher PBT from Electronics sector, while both Land Systems and Marine sectors reported comparable PBT.

Aerospace sector's PBT of \$63.5 million in 3Q2014 was lower than that achieved in 3Q2013 by 19% or \$15.0 million. The lower PBT was mainly attributable to weaker performance from the European operations and restructuring costs as well as impairment for an associate, with a total amounting to \$12 million.

PBT for Electronics sector in 3Q2014 of \$47.0 million was 9% or \$4.0 million higher than 3Q2013. Notwithstanding comparable revenue, the Sector recorded higher PBT mainly due to lower operating expenses as well as lower loss incurred by an associate.

Land Systems sector's 3Q2014 PBT of \$18.1 million was comparable to that achieved in 3Q2013.

PBT of Marine sector in 3Q2014 of \$32.7 million was comparable to that of 3Q2013.

The lower PBT under "Others" was mainly due to lower PBT from Miltope in line with the lower revenue as well as unfavourable foreign exchange impact, partially offset by favourable fair value change in 3Q2014 in respect of the cross currency interest rate swaps.

## 11 CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group comprising the balance sheets (Group and Company), consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity (Group and Company) and consolidated statement of cash flows and the accompanying notes for the third quarter ended 30 September 2014 to be false or misleading in any material respect.

12 **VARIANCE FROM PROSPECTS STATEMENT**

No third quarter forecast was previously provided.

13 **PROSPECTS**

**Group**

Barring unforeseen circumstances, the Group expects FY2014 Revenue to be comparable, while PBT is expected to be lower than that of FY2013.

**Sectors**

For the Aerospace, Land Systems and Marine sectors, FY2014 Revenue is expected to be comparable, while PBT is expected to be lower than that of FY2013.

For the Electronics sector, FY2014 Revenue is expected to be comparable, while PBT is expected to be higher than that of FY2013.

This release may contain forward-looking statements that involve risks and uncertainties. These forward-looking statements reflect the Company's current intentions, plans, expectations, assumptions and beliefs about future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes, as well as natural disasters which may negatively impact business activities of the ST Engineering group. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

14 **DIVIDENDS**

No interim dividend for the quarter ended 30 September 2014 is recommended.

**15 BUSINESS SEGMENTAL INFORMATION**
By Business Activity

	<b>3Q2014</b>						<b>Group \$'000</b>
	<b>Aerospace \$'000</b>	<b>Electronics \$'000</b>	<b>Land Systems \$'000</b>	<b>Marine \$'000</b>	<b>Others \$'000</b>	<b>Elimination \$'000</b>	
Revenue							
External sales	470,068	353,967	356,453	336,129	36,309	-	1,552,926
Inter-segment sales	3,131	6,631	1,902	208	6,485	(18,357)	-
	<u>473,199</u>	<u>360,598</u>	<u>358,355</u>	<u>336,337</u>	<u>42,794</u>	<u>(18,357)</u>	<u>1,552,926</u>
Reportable segment profit from operations	64,310	45,511	10,478	28,630	(20,052)	14,008	142,885
Other income	1,110	1,772	5,631	2,179	18,881	(19,872)	9,701
Other expenses	(4,997)	(1)	(390)	(10)	-	398	(5,000)
Finance income	1,339	1,518	1,620	18,601	12,100	3,807	38,985
Finance costs	(4,352)	(1,875)	(3,166)	(18,461)	(16,924)	(1,763)	(46,541)
Share of results of associates and joint ventures, net of tax	6,144	87	3,924	1,747	-	(253)	11,649
Profit before taxation	63,554	47,012	18,097	32,686	(5,995)	(3,675)	151,679
Taxation	(16,270)	(10,234)	(4,153)	(2,906)	1,999	-	(31,564)
Non-controlling interests	(882)	138	1,929	(1)	-	-	1,184
Profit attributable to shareholders	<u>46,402</u>	<u>36,916</u>	<u>15,873</u>	<u>29,779</u>	<u>(3,996)</u>	<u>(3,675)</u>	<u>121,299</u>
Other assets	2,276,203	1,785,182	1,994,737	1,210,640	3,866,924	(3,424,554)	7,709,132
Associates and joint ventures	314,212	871	108,876	5,996	17,681	8,078	455,714
Segment assets	<u>2,590,415</u>	<u>1,786,053</u>	<u>2,103,613</u>	<u>1,216,636</u>	<u>3,884,605</u>	<u>(3,416,476)</u>	<u>8,164,846</u>
Segment liabilities	<u>1,775,430</u>	<u>1,546,787</u>	<u>1,808,266</u>	<u>1,020,961</u>	<u>2,063,160</u>	<u>(2,146,577)</u>	<u>6,068,027</u>
Capital expenditure <sup>+</sup>	19,369	14,820	21,715	8,464	857	-	65,225
Depreciation and amortisation	14,593	9,020	8,934	7,152	1,333	(10)	41,022
Impairment losses	5,000	632	6,140	-	-	-	11,772
Other non-cash expenses	1,231	1	2	-	3	-	1,237

<sup>+</sup> Capital expenditure consists of additions of property, plant and equipment and intangible assets.

**15 BUSINESS SEGMENTAL INFORMATION (cont'd)**
By Business Activity

	<b>3Q2013</b>						
	<b>Aerospace</b>	<b>Electronics</b>	<b>Land Systems</b>	<b>Marine</b>	<b>Others</b>	<b>Elimination</b>	<b>Group</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue							
External sales	510,036	349,951	348,342	295,902	45,651	-	1,549,882
Inter-segment sales	908	7,260	3,126	3	7,775	(19,072)	-
	<u>510,944</u>	<u>357,211</u>	<u>351,468</u>	<u>295,905</u>	<u>53,426</u>	<u>(19,072)</u>	<u>1,549,882</u>
Reportable segment profit							
from operations	71,555	43,684	16,198	31,622	(17,158)	12,003	157,904
Other income	2,988	489	2,885	1,327	11,628	(11,982)	7,335
Other expenses	(3)	(50)	(2,556)	(18)	13	(10)	(2,624)
Finance income	2,141	1,064	756	11,719	20,377	(15,310)	20,747
Finance costs	(4,966)	(1,182)	(3,168)	(11,188)	(17,802)	13,765	(24,541)
Share of results of associates and joint ventures, net of tax	6,828	(963)	3,391	510	-	(592)	9,174
Profit before taxation	78,543	43,042	17,506	33,972	(2,942)	(2,126)	167,995
Taxation	(14,221)	(10,006)	(2,983)	(8,241)	53	-	(35,398)
Non-controlling interests	(559)	(618)	(18)	(1)	-	-	(1,196)
Profit attributable to shareholders	<u>63,763</u>	<u>32,418</u>	<u>14,505</u>	<u>25,730</u>	<u>(2,889)</u>	<u>(2,126)</u>	<u>131,401</u>
Other assets	2,456,728	1,658,517	1,967,487	1,108,705	3,999,879	(3,166,955)	8,024,361
Associates and joint ventures	328,883	3,430	108,161	3,538	17,681	2,431	464,124
Segment assets	<u>2,785,611</u>	<u>1,661,947</u>	<u>2,075,648</u>	<u>1,112,243</u>	<u>4,017,560</u>	<u>(3,164,524)</u>	<u>8,488,485</u>
Segment liabilities	<u>2,141,769</u>	<u>1,446,137</u>	<u>1,739,649</u>	<u>899,577</u>	<u>2,355,866</u>	<u>(2,152,606)</u>	<u>6,430,392</u>
Capital expenditure <sup>+</sup>	54,079	14,964	20,538	8,271	3,055	-	100,907
Depreciation and amortisation	11,454	6,929	9,571	4,793	1,251	(11)	33,987
Impairment losses	-	149	1,422	-	-	-	1,571
Other non-cash expenses	97	35	12	-	-	-	144

<sup>+</sup> Capital expenditure consists of additions of property, plant and equipment and intangible assets.



**15 BUSINESS SEGMENTAL INFORMATION (cont'd)**
By Business Activity

For Revenue and Profit Before Tax of 3Q2014 vis-à-vis 3Q2013, please refer to paragraph 10.

	<b>Profit Attributable to Shareholders</b>		
	<b>3Q2014</b>	<b>3Q2013</b>	<b>+ / (-)</b>
	\$'000	\$'000	%
Aerospace	46,402	63,763	(27.2)
Electronics	36,916	32,418	13.9
Land Systems	15,873	14,505	9.4
Marine	29,779	25,730	15.7
Others	(7,671)	(5,015)	53.0
Group	<u>121,299</u>	<u>131,401</u>	(7.7)

	<b>Revenue</b>			<b>Profit Before Tax</b>		
	<b>9M2014</b>	<b>9M2013</b>	<b>+ / (-)</b>	<b>9M2014</b>	<b>9M2013</b>	<b>+ / (-)</b>
	\$'000	\$'000	%	\$'000	\$'000	%
Aerospace	1,507,645	1,491,893	1.1	211,126	231,270	(8.7)
Electronics	1,103,098	1,128,042	(2.2)	127,530	123,579	3.2
Land Systems	974,793	1,086,042	(10.2)	55,154	72,151	(23.6)
Marine	1,006,861	860,924	17.0	88,865	99,248	(10.5)
Others	98,710	125,046	(21.1)	632	(12,662)	(105.0)
Group	<u>4,691,107</u>	<u>4,691,947</u>	-	<u>483,307</u>	<u>513,586</u>	(5.9)

	<b>Profit Attributable to Shareholders</b>		
	<b>9M2014</b>	<b>9M2013</b>	<b>+ / (-)</b>
	\$'000	\$'000	%
Aerospace	162,266	189,649	(14.4)
Electronics	104,766	98,573	6.3
Land Systems	51,546	62,012	(16.9)
Marine	75,654	75,191	0.6
Others	(2,552)	(12,115)	(78.9)
Group	<u>391,680</u>	<u>413,310</u>	(5.2)

15 **BUSINESS SEGMENTAL INFORMATION** (cont'd)

By Geographical Areas

	Revenue				Revenue			
	3Q2014		3Q2013		9M2014		9M2013	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Asia	914,039	58.9	884,566	57.1	2,646,448	56.4	2,708,431	57.7
USA	337,842	21.8	397,861	25.7	1,143,295	24.4	1,266,740	27.0
Europe	70,997	4.5	91,649	5.9	211,650	4.5	304,408	6.5
Others	230,048	14.8	175,806	11.3	689,714	14.7	412,368	8.8
Total	<u>1,552,926</u>	<u>100</u>	<u>1,549,882</u>	<u>100</u>	<u>4,691,107</u>	<u>100</u>	<u>4,691,947</u>	<u>100</u>

By Country of Incorporation

	Revenue				Revenue			
	3Q2014		3Q2013		9M2014		9M2013	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Asia	1,184,963	76.3	1,117,128	72.1	3,549,612	75.7	3,339,507	71.2
USA	334,702	21.6	398,350	25.7	1,046,312	22.3	1,219,923	26.0
Europe	17,269	1.1	23,526	1.5	53,328	1.1	103,542	2.2
Others	15,992	1.0	10,878	0.7	41,855	0.9	28,975	0.6
Total	<u>1,552,926</u>	<u>100</u>	<u>1,549,882</u>	<u>100</u>	<u>4,691,107</u>	<u>100</u>	<u>4,691,947</u>	<u>100</u>

	Non-Current Assets *			
	9M2014		9M2013	
	\$'000	%	\$'000	%
Asia	1,937,782	68.2	1,921,310	68.4
USA	750,494	26.4	712,659	25.4
Europe	52,220	1.9	83,319	3.0
Others	99,127	3.5	89,950	3.2
Total	<u>2,839,623</u>	<u>100</u>	<u>2,807,238</u>	<u>100</u>

\* Non-current assets for the purpose of FRS 108 *Operating Segments* excludes derivative financial instruments and deferred tax assets.

**16 INTERESTED PERSON TRANSACTIONS**

Aggregate value of all transactions conducted under a shareholders mandate pursuant to Rule 920 of the SGX Listing Manual

	<b>3Q2014</b> \$'000	<b>3Q2013</b> \$'000
<b>Transactions for the Sale of Goods and Services</b>		
Singapore Telecommunications Limited and its Associates	130	326
SMRT Corporation Ltd and its Associates	-	526
Temasek Holdings (Private) Limited and its Associates (non-listed)	1,670	1,941
	<u>1,800</u>	<u>2,793</u>
<b>Transactions for the Purchase of Goods and Services</b>		
Singapore Airport Terminal Services Limited and its Associates	384	364
Singapore Airlines Limited and its Associates	6,138	-
Singapore Telecommunications Limited and its Associates	800	313
SMRT Corporation Ltd and its Associates	-	127
Temasek Holdings (Private) Limited and its Associates (non-listed)	807	185
	<u>8,129</u>	<u>989</u>
<b>Total Interested Person Transactions</b>	<u>9,929</u>	<u>3,782</u>

BY ORDER OF THE BOARD

CHUA SU LI  
Company Secretary  
7 November 2014

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*For more details on how the business of each Sector is managed and its related performance, please see the attached sections. The information is given on a voluntary basis and from the perspective of the Sector management, as its disclosure is not made pursuant to any law or regulation.*