ST Engineering

News Release

ST Engineering's Aerospace Arm Secures $415M Worth of New Contracts in 4Q2015

Singapore, 19 January 2016 – Singapore Technologies Engineering Ltd (ST Engineering) today announced that its aerospace arm has secured new contracts worth $415m in the fourth quarter (4Q) of 2015, for projects ranging from airframe maintenance and cabin interiors reconfiguration, to engine wash and landing gear overhaul.

The total contract value includes the recently announced cabin reconfiguration contract awarded by Air Canada, the landing gear maintenance contract from Scandinavian Airlines and the heavy maintenance contract for Virgin Galactic's 747-400.

New contracts

Included in the 4Q2015 contracts are line and heavy airframe maintenance agreements for various customers, supporting aircraft types such as Airbus 300, A320, Boeing 747-400, 757, 767, 777 and MD-10, as well as cabin interior modifications of an international airline's fleet of E175. Separately, its Hondo-based facility was awarded a 737-300 aircraft part-out contract.

For component support, in addition to the landing gear maintenance contract from the Scandinavian Airlines fleet of Boeing 737-600/700/800 and Bombardier CRJ900 aircraft, ST Aerospace secured several ATR landing gear overhaul contracts from customers in the Asia Pacific region. The aerospace arm also won additional contracts for landing gear services with ASEAN airline operators, and expanded its engine component support for East Asian customers.

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Multiple contracts have also been sealed with customers in Asia Pacific, Europe and the US for EcoPower® engine wash services. In particular, following a long-term Do-It-Yourself/Franchise agreement recently signed with Japan Airlines Engineering Company, a second unit of the EcoPower® wash equipment is now deployed at Haneda Airport, in addition to one earlier deployed at Narita Airport, to carry out engine washes for aircraft operators in Tokyo, Japan.

Redeliveries for airframe, component and engine MRO

The aerospace sector redelivered a total of 308 aircraft for airframe maintenance and modification work in 4Q2015. This included the redelivery of two converted freighters to SF Airlines:

(i) The region's first 15-pallet 757-200SF converted freighter developed by ST Aerospace, with a supplemental type certificate from the US Federal Aviation Administration.

(ii) The first 767-300BCF converted freighter redelivered through Boeing, to an airline in China.

In addition to airframe redeliveries, a total of 11,292 components, 41 landing gears and 33 engines were processed, while 1,487 engine washes were conducted for both commercial and military customers.

Capabilities development

On aircraft capability, the aerospace sector's airframe facility in Guangzhou received maintenance organisational approval from the Korean Office of Civil Aviation for Boeing 737NG aircraft, extending the geographical range of its maintenance capabilities.

Spotlighting on pilot training in Singapore, the first batch of Qatar Airways' MPL cadet pilots has graduated to become First Officers to fly Airbus A320 aircraft for the airline's revenue flights. Meanwhile, its US flight training academy is upgrading its Hondo facility to double training capacity, to accommodate the expected cadet increase by end of 2016.

On component MRO, the aerospace sector added new capabilities for the Boeing 787 electrical systems, and continued induction of high value repair capabilities for both wide-body and narrow-body aircraft platforms.

The above developments are not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of ST Engineering for the current financial year.

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ST Aerospace (Singapore Technologies Aerospace Ltd) is the aerospace arm of ST Engineering with a revenue of $2.07b in FY2014. Operating a global MRO network with facilities and affiliates in the Americas, Asia Pacific and Europe, it is the world's largest commercial airframe MRO provider with a global customer base that includes leading airlines, airfreight and military operators. ST Aerospace is an integrated service provider that offers a spectrum of maintenance and engineering services that include airframe, engine and component maintenance, repair and overhaul; engineering design and technical services; and aviation materials and asset management services, including Total Aviation Support. ST Aerospace has a global staff strength of around 8,000 employees worldwide. Please visit www.staero.aero.

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 $6.54b in FY2014 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index and MSCI Singapore. ST Engineering has about 23,000 employees worldwide, and over 100 subsidiaries and associated companies in 46 cities across 24 countries. Please visit www.stengg.com for more information

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