



**SIA ENGINEERING GROUP POSTS PROFIT OF \$85.8M
FOR 1st HALF FY2015-16**

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 st Half FY2015-16		2 nd Quarter FY2015-16	
	Apr - Sep 2015	Year-on-Year % Change	Jul - Sep 2015	Year-on-Year % Change
• Revenue	\$543.3M	- 6.2	\$266.0M	- 6.7
• Operating profit	\$47.9M	+ 30.9	\$27.0M	+ 69.8
• Share of profits of associated and joint venture companies, net of tax	\$42.7M	- 28.5	\$18.7M	- 35.7
• Profit attributable to owners of the parent	\$85.8M	- 10.3	\$44.5M	+ 5.7
• Basic earnings per share	7.65 cts	- 10.4	3.96 cts	+ 5.6

GROUP EARNINGS

First Half FY2015-16

SIAEC Group recorded a profit attributable to owners of the parent of \$85.8 million for the half year ended 30 September 2015.

Revenue of \$543.3 million saw a decrease of \$36.0 million or 6.2%, mainly from lower airframe and component overhaul revenue, offset in part by higher line maintenance revenue. Expenditure came down by \$47.3 million or 8.7%, mainly from a lower content of subcontract work, in addition to lower material and staff costs. As expenditure decreased at a higher rate than the decrease in revenue, operating profit at \$47.9 million was \$11.3 million or 30.9% higher than the corresponding period last year.

Share of profits from associated and joint venture companies fell by \$17.0 million or 28.5% to \$42.7 million. The contributions from the engine repair and overhaul centres decreased by \$16.2 million or 41.4% to \$22.9 million, with fewer engine shop visits.

Basic earnings per share was 7.65 cents for the current period.

Note: The SIAEC Group's unaudited financial results for the second quarter and half year ended 30 September 2015 were announced on 2 November 2015. A summary of the financial statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Group comprises the Company and its subsidiary, associated and joint venture companies.)

Second Quarter FY2015-16

The Group posted a profit attributable to owners of the parent of \$44.5 million for the second quarter of FY2015-16, which was \$2.4 million or 5.7% higher than the same quarter last year.

Revenue decreased by \$19.2 million or 6.7% to \$266.0 million, with lower airframe and component overhaul and fleet management revenue, partially mitigated by higher line maintenance revenue. Expenditure at \$239.0 million was \$30.3 million or 11.3% lower, primarily due to decreases in subcontract, staff and material costs. As a result, operating profit improved by \$11.1 million or 69.8% to \$27.0 million.

Share of profits from associated and joint venture companies was \$18.7 million, \$10.4 million or 35.7% lower than the corresponding quarter last year. Contributions from the engine repair and overhaul centres at \$11.7 million were \$8.3 million or 41.5% lower.

Basic earnings per share was 3.96 cents for the current quarter.

GROUP FINANCIAL POSITION

As at 30 September 2015, equity attributable to owners of the parent of \$1,341.0 million was \$16.1 million or 1.2% higher than at 31 March 2015, mainly due to profits earned for the period and a gain in foreign currency translation reserve as a result of the strengthening of the US dollar against the Singapore dollar. The increase in equity was partially offset by payment of the final dividend in respect of FY2014-15.

The cash balance of the Group was \$406.2 million, a decrease of \$57.5 million or 12.4%. Total assets stood at \$1,666.8 million at 30 September 2015.

Net asset value per share as at 30 September 2015 was 119.4 cents.

DIVIDEND

The Company has declared an interim dividend of 6.0 cents per share.

OUTLOOK

The operating environment remains challenging. Lower work content and longer check intervals of newer generation aircraft will continue to impact our business. Our efforts to strengthen efficiencies and manage costs have helped to improve the performance of the heavy maintenance and line maintenance businesses.

Supported by a strong balance sheet, the Group will be vigilant to pursue strategic partnerships and long term growth opportunities in the region. The Singapore based Boeing Asia Pacific Aviation Services, our joint venture with Boeing, is one such strategic initiative, although it is not expected to be accretive in the near term.

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(For the complete second quarter and first half FY2015-16 financial statements, please refer to our SGXNET Filing or the Investor Relations page of our website at www.siaec.com.sg).

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GROUP FINANCIAL STATISTICS

	1 st Half 2015-16	1 st Half 2014-15	2 nd Quarter 2015-16	2 nd Quarter 2014-15
Financial Results (\$ million)				
Total revenue	543.3	579.3	266.0	285.2
Total expenditure	495.4	542.7	239.0	269.3
Operating profit	47.9	36.6	27.0	15.9
Non-operating items	3.5	6.1	3.2	0.1
Dividend income from long term investment	3.2	4.3	1.5	2.0
Share of profits of associated companies, net of tax	21.3	24.9	6.8	10.6
Share of profits of joint venture companies, net of tax	21.4	34.8	11.9	18.5
Profit before taxation	97.3	106.7	50.4	47.1
Profit attributable to owners of the parent	85.8	95.6	44.5	42.1

Per Share Data

Earnings before tax (cents)	8.67	9.53	4.49	4.20
Earnings after tax (cents) - basic ^{R1}	7.65	8.54	3.96	3.75
- diluted ^{R2}	7.63	8.49	3.95	3.73

	As at 30 Sep 2015	As at 31 Mar 2015
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Financial Position (\$ million)

Share capital	416.3	410.7
Reserves		
Share-based compensation reserve	18.8	20.2
Foreign currency translation reserve	(63.1)	(81.7)
Fair value reserve	(11.2)	(14.2)
Equity transaction reserve	(2.4)	(2.4)
General reserve	982.6	992.3
Equity attributable to owners of the parent	1,341.0	1,324.9
Total assets	1,666.8	1,656.6
Net asset value per share (cents) ^{R3}	119.4	118.1

^{R1} Earnings after tax per share (basic) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue.

^{R2} Earnings after tax per share (diluted) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding share options, performance shares and restricted shares granted to employees.

^{R3} Net asset value per share is computed by dividing equity attributable to owners of the parent by the number of ordinary shares in issue.