

## News Release

*Details on how the business of the Sector is managed and its related performance are set out below. This information is given on a voluntary basis and from the perspective of the Sector management, as its disclosure is not required by law or regulation.*

### Aerospace

#### “Comparable Profits”

<b>FINANCIAL HIGHLIGHTS</b> For the third quarter ended 30 September 2015			
	<b>2015 3Q</b>	<b>2014 3Q</b>	<b>Growth %</b>
Revenue (\$m)	507	473	7
Earnings before interest and tax (EBIT) (\$m)	50.4	64.3	(22)
Other income/(costs), net (\$m)	1.4	(3.9)	136
Finance income/(costs), net (\$m)	2.7	(3.0)	189
Profit before tax (PBT) (\$m)	63.3	63.5	(1)
Profit attributable to shareholders (\$m)	51.4	46.4	11

N.B.: All currencies are in Singapore dollars.

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## Aerospace

### Aerospace sector unaudited results for the third quarter ended 30 September 2015

	3Q2015 \$'000	3Q2014 \$'000	+ / (-) %
1. (a) <b>Revenue</b>	<b>507,442</b>	<b>473,199</b>	<b>7.2</b>
(b) Cost of sales	(421,299)	(375,267)	12.3
(c) <b>Gross Profit</b>	<b>86,143</b>	<b>97,932</b>	<b>(12.0)</b>
(d) Distribution and selling expenses	(3,627)	(1,557)	132.9
(e) Administrative expenses	(27,573)	(25,997)	6.1
(f) Other operating expenses	(4,507)	(6,068)	(25.7)
(g) <b>Profit from operations</b>	<b>50,436</b>	<b>64,310</b>	<b>(21.6)</b>
(h) Other income	1,391	1,110	25.3
(i) Other expenses	-	(4,997)	(100.0)
(j) Other income/(expenses), net	1,391	(3,887)	(135.8)
(k) Finance income	8,643	1,339	>500
(l) Finance costs	(5,964)	(4,352)	37.0
(m) Finance income/(costs), net	2,679	(3,013)	(188.9)
(n) Share of results of associates and joint ventures, net of tax	8,747	6,144	42.4
(o) <b>Profit before taxation</b>	<b>63,253</b>	<b>63,554</b>	<b>(0.5)</b>
(p) Taxation	(11,587)	(16,270)	(28.8)
(q) <b>Profit for the period</b>	<b>51,666</b>	<b>47,284</b>	<b>9.3</b>
Attributable to:			
(r) <b>Shareholders of the Company</b>	<b>51,378</b>	<b>46,402</b>	<b>10.7</b>
(s) Non-controlling interests	288	882	(67.3)
	<b>51,666</b>	<b>47,284</b>	<b>9.3</b>
2. (a) Profit from operations is arrived at after charging/(crediting) the following:			
Depreciation and amortisation	19,142	14,593	31.2
Allowance/(write-back of allowance) for doubtful debts & bad debts written off, net	2,093	(372)	<-500
Allowance/(write-back of allowance) for stock obsolescence, net	4,210	7,783	(45.9)
Impairment losses on intangible assets	-	1,186	(100.0)
(b) Finance income/(costs), net comprises:			
Interest income	671	1,286	(47.8)
Foreign exchange gain/(loss), net	4,064	683	495.0
Fair value changes of financial instruments / hedged items	(86)	(1,147)	(92.5)
Interest expenses	(1,971)	(3,835)	(48.6)
Others	1	-	NM
	<b>2,679</b>	<b>(3,013)</b>	<b>(188.9)</b>

### Aerospace

	3Q2015 \$'000	3Q2014 \$'000	+ / (-) %
3. (a) Profit for the period [1(q) above] as a percentage of revenue	10.2%	10.0%	
(b) Profit attributable to shareholders [1(r) above] as a percentage of share capital and reserves at end of period	5.7%	5.6%	
4. (a) Revenue reported for first half year	1,007,557	1,042,104	(3.3)
(b) Profit for the period reported for first half year	117,095	120,391	(2.7)
(c) Revenue reported for third quarter	507,442	473,199	7.2
(d) Profit for the period reported for third quarter	51,666	47,284	9.3
(e) Revenue reported for first nine months	1,514,999	1,515,303	(0.0)
(f) Profit for the period reported for first nine months	168,761	167,675	0.6
5. (a) There was an adjustment of \$696,000 for overprovision of current tax and \$28,000 of deferred tax in respect of prior years. (3Q2014: There was an adjustment of \$1,110,000 for overprovision of current tax and underprovision of \$2,545,000 for deferred tax in respect of prior years.)			
(b) There was no disposal of property during the third quarter.			

#### 6. Business Group Information

##### By Business Group

	Revenue		+ / (-) %	Profit before Taxation		+ / (-) %
	2015 \$'000	2014 \$'000		2015 \$'000	2014 \$'000	
<b>Third Quarter</b>						
Aircraft Maintenance & Modification	227,916	243,881	(6.5)	33,615	41,374	(18.8)
Component/Engine Repair & Overhaul	191,614	143,622	33.4	16,640	2,403	>500
Engineering & Material Services	87,912	85,696	2.6	12,998	19,777	(34.3)
Total	<u>507,442</u>	<u>473,199</u>	7.2	<u>63,253</u>	<u>63,554</u>	(0.5)
<b>Nine Months Ended 30 September</b>						
Aircraft Maintenance & Modification	762,893	820,487	(7.0)	116,705	144,358	(19.2)
Component/Engine Repair & Overhaul	478,252	443,778	7.8	45,803	22,912	99.9
Engineering & Material Services	273,854	251,038	9.1	42,819	43,856	(2.4)
Total	<u>1,514,999</u>	<u>1,515,303</u>	(0.0)	<u>205,327</u>	<u>211,126</u>	(2.7)

	Revenue		
	3Q2015 \$'000	3Q2014 \$'000	
<b><u>By Geographical Areas</u></b>			
Asia	314,011	277,523	13.1
USA	116,503	139,027	(16.2)
Europe	36,158	33,211	8.9
Others	40,770	23,438	73.9
Total	<u>507,442</u>	<u>473,199</u>	7.2

##### By Country of Incorporation

Asia	396,002	349,981	13.1
USA	94,539	109,110	(13.4)
Europe	16,582	13,641	21.6
Others	319	467	(31.7)
Total	<u>507,442</u>	<u>473,199</u>	7.2

## Aerospace

### 7. Review of Performance

#### (a) Revenue

3Q2015 vs 3Q2014

3Q2015	3Q2014	Growth	
\$507m	\$473m	\$34m	7%

Revenue for 3Q2015 was \$34 million or 7% higher compared to that of 3Q2014 due mainly to higher engines output in the **Component/Engine Repair & Overhaul (CERO)** business group, reduced partially by lower revenue in the **Aircraft Maintenance & Modification (AMM)** business group.

#### (b) Profitability

3Q2015 vs 3Q2014

3Q2015	3Q2014	Growth	
\$63.3m	\$63.5m	(\$0.2m)	(0%)

The current quarter's PBT of \$63.3 million was comparable to 3Q2014 PBT despite lower gross profit which was offset by the absence of impairment for an associate, favourable foreign exchange impact and lower interest expense. The lower gross profit was because of lower airframe maintenance work during the summer months and provision for liquidated damages for 757 15-Pallet programme.

### 8. Prospects

FY2015

Barring unforeseen circumstances, revenue and profit before tax for FY2015 are expected to be comparable to FY2014.

### 9. Balance Sheet

	<b>30-Sep-15</b>	<b>31-Dec-14</b>
	\$'000	\$'000
Property, plant and equipment	721,208	671,068
Associates and joint ventures	319,842	322,508
Investments	12	12
Intangible assets	130,778	126,958
Long-term receivables, non-current	71	1,534
Deferred tax assets	19,012	19,941
Non-current assets	1,190,923	1,142,021
Current assets	1,445,698	1,383,006
<b>Total assets</b>	<b>2,636,621</b>	<b>2,525,027</b>
Current liabilities	1,170,494	1,139,953
Non-current liabilities	579,442	639,407
<b>Total liabilities</b>	<b>1,749,936</b>	<b>1,779,360</b>
Share capital and reserves	805,726	668,421
Non-controlling interests	80,959	77,246
<b>Total equity and liabilities</b>	<b>2,636,621</b>	<b>2,525,027</b>
<b>Net current assets</b>	<b>275,204</b>	<b>243,053</b>

## Aerospace

### 10. Statement of Cash Flows for the third quarter ended 30 September 2015

	<b>3Q2015</b>	<b>3Q2014</b>
	\$'000	\$'000
Net cash from operating activities	<b>110,036</b>	<b>65,675</b>
Net cash used in investing activities	<b>(29,305)</b>	<b>(1,999)</b>
Proceeds from sale of property, plant and equipment	26	1,096
Dividends from an associate	10,156	6,100
Dividends from investments	1	-
Purchase of property, plant and equipment	(35,253)	(8,573)
Additional investment of associated companies and joint ventures	-	(622)
Acquisition of a subsidiary, net of cash acquired	(4,235)	-
Net cash used in financing activities	<b>(46,369)</b>	<b>(97,166)</b>
Repayment of short-term loans to related corporations, net	(45,052)	(84,955)
Repayment of lease obligations	(88)	(88)
Dividend paid to shareholder of the company	-	(4,514)
Dividend paid to non-controlling interests	-	(3,926)
Interest paid	(1,229)	(3,683)
Net increase/(decrease) in cash and cash equivalents	<b>34,362</b>	<b>(33,490)</b>
Cash and cash equivalents at beginning of period	194,739	361,004
Exchange difference on cash and cash equivalents	8,676	(1,551)
Cash and cash equivalents at end of period	<b><u>237,777</u></b>	<b><u>325,963</u></b>

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