

*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

“PBT Grew 26%”

<b>FINANCIAL HIGHLIGHTS</b> For the first quarter ended 31 March 2013					
	<b>2013 1Q</b>	<b>2012 1Q</b>	<b>Growth %</b>	<b>2012 4Q</b>	<b>Growth %</b>
Revenue (\$m)	479	457	5	566	(15)
Earnings before interest and tax (EBIT) (\$m)	61.8	55.3	12	76.9	(20)
Other income, net (\$m)	4.0	0.9	342	3.5	14
Finance income/(costs), net (\$m)	(0.3)	(3.6)	91	(8.3)	96
Profit before tax (PBT) (\$m)	75.1	59.8	26	77.0	(3)
Profit attributable to shareholders (\$m)	60.5	50.9	19	65.2	(7)

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

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### Aerospace sector unaudited results for the first quarter ended 31 March 2013:

	1Q2013 \$'000	1Q2012 \$'000	+ / (-) %
1. (a) <b>Revenue</b>	<b>478,891</b>	<b>457,073</b>	<b>4.8</b>
(b) Cost of sales	(379,765)	(369,851)	2.7
(c) <b>Gross Profit</b>	<u>99,126</u>	<u>87,222</u>	<b>13.6</b>
(d) Distribution and selling expenses	(1,549)	(3,507)	(55.8)
(e) Administrative expenses	(31,377)	(24,047)	30.5
(f) Other operating expenses	(4,400)	(4,354)	1.1
(g) <b>Profit from operations</b>	<u>61,800</u>	<u>55,314</u>	<b>11.7</b>
(h) Other income, net	4,080	924	341.6
(i) Finance income	3,505	2,624	33.6
(j) Finance costs	(3,826)	(6,300)	(39.3)
(k) Finance income/(costs), net	<u>(321)</u>	<u>(3,676)</u>	<b>(91.3)</b>
(l) Share of results of associates and jointly controlled entities	9,557	7,196	32.8
(m) <b>Profit before taxation</b>	<u>75,116</u>	<u>59,758</u>	<b>25.7</b>
(n) Taxation	(13,491)	(8,020)	68.2
(o) <b>Profit for the period</b>	<u>61,625</u>	<u>51,738</u>	<b>19.1</b>
Attributable to:			
(p) <b>Shareholders of the Company</b>	<b>60,497</b>	<b>50,881</b>	<b>18.9</b>
(q) Non-controlling interests	1,128	857	31.6
	<u>61,625</u>	<u>51,738</u>	<b>19.1</b>

\* NM - Not Meaningful

2. (a) Profit from operations is arrived at after charging/(crediting) the following:			
Depreciation and amortisation	13,602	15,445	(11.9)
Allowance/(write-back of allowance) for doubtful debts & bad debts written off, net	69	(1,471)	(104.7)
Allowance/(write-back of allowance) for stock obsolescence, net	1,014	(470)	(315.7)
Impairment losses on intangible assets	-	-	NM
(b) Finance income/(costs), net comprises			
Interest income	602	585	2.9
Foreign exchange gain/(loss), net	2,202	(1,154)	(290.8)
Fair value changes of financial instruments / hedged items	662	(10)	>500.0
Impairment losses on investments	-	-	NM
Interest expenses	(3,787)	(3,097)	22.3
Others	-	-	NM
	<u>(321)</u>	<u>(3,676)</u>	<b>(91.3)</b>

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	1Q2013 \$'000	1Q2012 \$'000	+ / (-) %
3. (a) Profit for the period [1(o) above] as a percentage of revenue	12.9%	11.3%	
(b) Profit attributable to shareholders [1(p) above] as a percentage of share capital and reserves at end of period	10.7%	9.9%	
4. (a) Revenue reported for first quarter	478,891	457,073	4.8
(b) Profit for the period reported for first quarter	61,625	51,738	19.1
5. (a) There was an adjustment of \$2,204,000 for overprovision of current tax in respect of prior years. (1Q2012: There was an adjustment of \$1,390,000 for overprovision of current tax and \$24,000 for underprovision of deferred tax in respect of prior years).			
(b) There was no disposal of property during the period.			

### 6. Business Group Information

	Revenue		+ / (-) %	Profit before Taxation		+ / (-) %
	1Q2013 \$'000	1Q2012 \$'000		1Q2013 \$'000	1Q2012 \$'000	
<b><u>By Business Group</u></b>						
Aircraft Maintenance & Modification	274,415	222,765	23.2	46,984	41,894	12.1
Component/Engine Repair & Overhaul	148,550	170,151	(12.7)	17,520	14,395	21.7
Engineering & Material Services	55,926	64,157	(12.8)	10,612	3,469	205.9
Total	<u>478,891</u>	<u>457,073</u>	4.8	<u>75,116</u>	<u>59,758</u>	25.7

### **By Geographical Areas**

Asia	228,896	224,339	2.0
USA	167,168	139,771	19.6
Europe	55,458	67,068	(17.3)
Others	27,369	25,895	5.7
Total	<u>478,891</u>	<u>457,073</u>	4.8

### **By Country of Incorporation**

Asia	316,776	301,150	5.2
USA	110,786	91,507	21.1
Europe	50,857	63,131	(19.4)
Others	472	1,285	(63.3)
Total	<u>478,891</u>	<u>457,073</u>	4.8

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### 7. Review of Performance

#### (a) Revenue

##### 1Q2013 vs 1Q2012

1Q2013	1Q2012	Growth	
\$479m	\$457m	\$22m	5%

Revenue for 1Q2013 was \$22 million higher compared to that of 1Q2012. This was due mainly to higher revenue in the **Aircraft Maintenance & Modification (AMM)** business group, reduced partially by lower sales in the components division and fewer project milestone completions in the **Component/Engine Repair and Overhaul (CERO)** and **Engineering & Materials Services (EMS)** business groups respectively.

##### 1Q2013 vs 4Q2012

1Q2013	4Q2012	Growth	
\$479m	\$566m	(\$87m)	(15%)

All the three business groups contributed to the lower revenue in the current quarter.

#### (b) Profitability

##### 1Q2013 vs 1Q2012

1Q2013	1Q2012	Growth	
\$75.1m	\$59.8m	\$15.3m	26%

The current quarter's PBT of \$75.1 million was higher than 1Q2012 PBT of \$59.8 million by 26% or \$15.3 million. This was a result of higher gross profit because of higher revenue and favourable sales mix, higher other income, favourable foreign exchange impact and higher contributions from associates, reduced partially by higher operating expenses.

##### 1Q2013 vs 4Q2012

1Q2013	4Q2012	Growth	
\$75.1m	\$77.0m	(\$1.9m)	(3%)

The current quarter's PBT of \$75.1 million was comparable to 4Q2012 PBT of \$77.0 million. This was due to lower gross profit in line with lower revenue, offset by favourable foreign exchange impact, lower interest expense and higher contributions from associates.

### 8. Prospects

#### 1H2013

Barring unforeseen circumstances, 1H2013 revenue is expected to be comparable, whilst PBT is expected to be higher compared to 1H2012.

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### 9. Balance Sheet

	31-Mar-13 \$'000	31-Dec-12 \$'000
Property, plant and equipment	632,975	630,709
Associates and jointly controlled entities	171,647	160,875
Investments	41	44
Intangible assets	74,150	43,359
Long-term receivables, non-current	26,401	26,109
Derivative financial instruments	16,177	20,516
Deferred tax assets	21,757	21,043
Non-current assets	943,148	902,655
Current assets	1,631,935	1,549,495
<b>Total assets</b>	<b>2,575,083</b>	<b>2,452,150</b>
Current liabilities	1,578,025	1,374,363
Non-current liabilities	442,629	601,082
<b>Total liabilities</b>	<b>2,020,654</b>	<b>1,975,445</b>
Share capital and reserves	481,772	420,708
Non-controlling interests	72,657	55,997
<b>Total equity and liabilities</b>	<b>2,575,083</b>	<b>2,452,150</b>
<b>Net current assets</b>	<b>53,910</b>	<b>175,132</b>

### 10. Statement of Cash Flows for the first quarter ended 31 March 2013

	1Q2013 \$'000	1Q2012 \$'000
Net cash from operating activities	61,972	51,227
Net cash used in investing activities	(53,206)	(177)
Proceeds from sale of property, plant and equipment	5,347	534
Proceeds from sale of associates and joint ventures	-	5,560
Dividends from associates	5,754	5,440
Purchase of property, plant and equipment	(19,503)	(11,711)
Investment in associates	(7,632)	-
Investment in a joint venture	(5,819)	-
Acquisition of intangible assets	(31,353)	-
Net cash from/(used in) financing activities	3,460	(62,080)
Capital contribution from non-controlling interests	15,645	-
Loan to immediate holding company	-	(10,545)
Repayment of loan to immediate holding company	(21,000)	-
Proceeds from inter-company loans, net	8,591	-
Proceeds from long term bank loans	3,998	-
Repayment of short-term loans from related corporation	-	(46,403)
Repayment of lease obligations	(10)	(1,631)
Interest paid	(3,764)	(3,501)
Net increase/(decrease) in cash and cash equivalents	12,226	(11,030)
Cash and cash equivalents at beginning of the period	305,124	253,836
Exchange difference on cash and cash equivalents at beginning of the period	(167)	(2,249)
<b>Cash and cash equivalents at end of the period</b>	<b>317,183</b>	<b>240,557</b>

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