

*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.*

## Land Systems

“Higher year-on-year profits”

<b>FINANCIAL HIGHLIGHTS</b>					
<b>For the quarter ended</b>					
<b>30 September 2012</b>					
	<b>2012 3Q</b>	<b>2011 3Q</b>	<b>Growth %</b>	<b>2012 2Q</b>	<b>Growth %</b>
Revenue (\$m)	395	312	27	391	1
Earnings before interest and tax (EBIT) (\$m)	18.5	12.3	50	24.4	(24)
Other income, net (\$m)	1.6	4.0	(60)	7.6	(79)
Finance costs, net (\$m)	(2.8)	(3.1)	10	(1.6)	(70)
Profit before tax (PBT) (\$m)	19.9	15.3	30	32.0	(38)
Profit attributable to shareholders (\$m)	15.4	11.3	37	23.6	(34)

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

## Land Systems

Land Systems sector unaudited results for the third quarter ended 30 September 2012:

	3Q2012 \$'000	3Q2011 \$'000	+ / (-) %
1. (a) Revenue	394,724	311,696	26.6
(b) Cost of sales	(318,878)	(247,731)	28.7
(c) Gross Profit	<u>75,846</u>	<u>63,965</u>	18.6
(d) Distribution and selling expenses	(18,336)	(16,654)	10.1
(e) Administrative expenses	(28,348)	(24,522)	15.6
(f) Other operating expenses	(10,629)	(10,441)	1.8
(g) Profit from operations	<u>18,533</u>	<u>12,348</u>	50.1
(h) Other income, net	1,579	3,974	(60.3)
(i) Finance income	1,394	1,362	2.3
(j) Finance costs	<u>(4,203)</u>	<u>(4,470)</u>	(6.0)
(k) Finance costs, net	(2,809)	(3,108)	(9.6)
(l) Share of results of associates and jointly controlled entities	2,558	2,065	23.9
(m) Profit before taxation	<u>19,861</u>	<u>15,279</u>	30.0
(n) Taxation	(4,653)	(936)	397.1
(o) Profit for the period	<u>15,208</u>	<u>14,343</u>	6.0
Attributable to:			
(p) Shareholders of the Company	15,445	11,297	36.7
(q) Non-controlling interests	(237)	3,046	(107.8)
	<u>15,208</u>	<u>14,343</u>	6.0
2. (a) Profit from operations is arrived at after charging/(crediting) the following:			
Depreciation and amortisation	9,582	7,962	20.3
Allowance/(write-back of allowance) for doubtful debts & bad debts written off, net	5,485	(58)	>(500)
Allowance/(write-back of allowance) for inventory obsolescence, net	8,622	(122)	>(500)
Impairment of intangibles	-	4,082	(100.0)
(b) Finance costs, net comprises			
Interest income	735	489	50.3
Foreign exchange gain/(loss), net	(317)	531	(159.7)
Loss on disposal of investments	(18)	-	NM
Impairment in value of investments, net	(752)	-	NM
Interest expenses	(2,883)	(4,236)	(31.9)
Fair value changes of financial instruments/hedged items	64	104	(38.5)
Others	362	4	>500
	<u>(2,809)</u>	<u>(3,108)</u>	(9.6)

\* NM - Not Meaningful

## Land Systems

	3Q2012 \$'000	3Q2011 \$'000	+ / (-) %
3. (a) Profit for the period [1(o) above] as a percentage of revenue	3.9%	4.6%	
(b) Profit attributable to shareholders [1(p) above] as a percentage of share capital and reserves at end of period	5.7%	3.6%	
4. (a) Revenue reported for first half year	712,337	716,441	(0.6)
(b) Profit for the period reported for first half year	44,974	46,241	(2.7)
(c) Revenue reported for third quarter	394,724	311,696	26.6
(d) Profit for the period reported for third quarter	15,208	14,343	6.0
(e) Revenue reported for first nine months	1,107,061	1,028,137	7.7
(f) Profit for the period reported for first nine months	60,182	60,584	(0.7)
5. (a) There was an over-provision of current tax of \$589,000 and under-provision of deferred tax of \$1,000 in respect of prior years. (3Q2011: There was an over-provision of current tax of \$1,101,000 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		+ / (-) %
	2012 \$'000	2011 \$'000		2012 \$'000	2011 \$'000	
<b>Third Quarter</b>						
Automotive	298,381	242,684	23.0	5,754	8,376	(31.3)
Munitions & Weapon	62,867	38,267	64.3	4,616	2,764	67.0
Services, Trading & Others	33,476	30,745	8.9	9,491	4,139	129.3
<b>Total</b>	<u>394,724</u>	<u>311,696</u>	26.6	<u>19,861</u>	<u>15,279</u>	30.0

#### **Nine Months Ended 30 September**

Automotive	853,126	798,939	6.8	31,140	27,988	11.3
Munitions & Weapon	147,816	121,074	22.1	17,879	17,987	(0.6)
Services, Trading & Others	106,119	108,124	(1.9)	26,574	25,113	5.8
<b>Total</b>	<u>1,107,061</u>	<u>1,028,137</u>	7.7	<u>75,593</u>	<u>71,088</u>	6.3

	Revenue		
	3Q2012 \$'000	3Q2011 \$'000	
<b>By Geographical Areas</b>			
Asia	310,857	232,472	33.7
USA	57,288	50,945	12.5
Europe	11,912	12,987	(8.3)
Others	14,667	15,292	(4.1)
<b>Total</b>	<u>394,724</u>	<u>311,696</u>	26.6

#### By Country of Incorporation

Asia	328,837	255,562	28.7
USA	63,848	54,336	17.5
Europe	-	-	-
Others	2,039	1,798	13.4
<b>Total</b>	<u>394,724</u>	<u>311,696</u>	26.6

## Land Systems

### 7. Review of Performance

#### (a) Revenue

##### 3Q2012 vs 3Q2011

3Q2012	3Q2011	Growth	
\$395m	\$312m	\$83m	27%

3Q2012 revenue compared to 3Q2011 increased by 27% or \$83 million to \$395 million. This was contributed mainly by higher project deliveries of the **Automotive (Auto)** and **Munitions & Weapon (M&W)** business groups.

##### 3Q2012 vs 2Q2012

3Q2012	2Q2012	Growth	
\$395m	\$391m	\$4m	1%

3Q2012 revenue of \$395 million was comparable to 2Q2012. Higher deliveries of the **M&W** business group were largely offset by lower specialty vehicle sales of the **Auto** business group.

#### (b) Profitability

##### 3Q2012 vs 3Q2011

3Q2012	3Q2011	Growth	
\$19.9m	\$15.3m	\$4.6m	30%

3Q2012 profit before tax (PBT) compared to 3Q2011 increased by 30% or \$4.6 million to \$19.9 million contributed mainly by higher profits of the **Services, Trading & Others (S&T)** and **M&W** business groups, partially offset by lower profits of the **Auto** business group. The **S&T** business group's higher profits were due mainly to product mix. The **M&W** business group had higher profits mainly from higher sales. The **Auto** business group recorded lower profits due mainly to allowances for doubtful debts and inventory obsolescence.

##### 3Q2012 vs 2Q2012

3Q2012	2Q2012	Growth	
\$19.9m	\$32.0m	(\$12.1m)	(38%)

3Q2012 PBT compared to 2Q2012 decreased by 38% or \$12.1 million to \$19.9 million attributable mainly to lower profits of the **Auto** business group as a result of lower sales, unfavourable product mix, and the absence of a gain on disposal of property, which aided 2Q2012.

### 8. Prospects

#### FY2012

Barring unforeseen circumstances, revenue and PBT for FY2012 are expected to be comparable to FY2011.

## Land Systems

### 9. Balance Sheet

	30-Sep-12 \$'000	31-Dec-11 \$'000
Property, plant and equipment	294,456	305,805
Associates and jointly controlled entities	109,015	117,573
Investments	461	2,417
Intangible assets	193,567	205,629
Investment property	10,454	1,509
Long-term receivables, non-current	143	151
Amounts due from related parties, non-current	5,245	5,556
Finance lease receivables, non-current	11,322	14,482
Derivative financial instruments	663	151
Deferred tax assets	17,184	13,760
Non-current assets	642,510	667,033
Current assets	1,334,622	1,202,219
<b>Total assets</b>	<b>1,977,132</b>	<b>1,869,252</b>
Current liabilities	868,301	979,820
Non-current liabilities	937,458	734,291
<b>Total liabilities</b>	<b>1,805,759</b>	<b>1,714,111</b>
Share capital and reserves	123,907	105,573
Non-controlling interests	47,466	49,568
<b>Total equity and liabilities</b>	<b>1,977,132</b>	<b>1,869,252</b>
<b>Net current assets</b>	<b>466,321</b>	<b>222,399</b>

The increase in non-current liabilities was due mainly to higher customer advances.

### 10. Statement of Cash Flows for the third quarter ended 30 September 2012

	3Q2012 \$'000	3Q2011 \$'000
Net cash (used in)/from operating activities	(12,303)	10,875
Net cash used in investing activities	(7,169)	(12,712)
Proceeds from sale of property, plant and equipment	32	57
Disposal of a subsidiary	-	(1,526)
Dividends from associated companies	5,580	-
Distribution from funds under management	362	4
Proceeds from disposal of quoted long-term investment	23	-
Purchase of property, plant and equipment	(11,933)	(10,880)
Purchase of intangibles	(1,233)	-
Investment in an associate	-	(367)
Net cash from financing activities	5,893	15,873
Capital contribution from non-controlling interests	1,871	73
Proceeds from long-term immediate holding company loan	3,331	-
Proceeds from long-term related party loans	751	-
Proceeds from long-term bank loan	1,094	-
(Repayment of)/proceeds from long-term loans	(29)	1,401
Proceeds from short-term related party loans	3,679	21,037
Repayment of short-term bank loans	-	(2,402)
Dividend paid to non-controlling interests	(1,921)	-
Interest paid	(2,883)	(4,236)
Net (decrease)/increase in cash and cash equivalents	(13,579)	14,036
Cash and cash equivalents at beginning of the period	200,597	155,757
Exchange difference on cash and cash equivalents at beginning of the period	(548)	2,391
Cash and cash equivalents at end of the period	<b>186,470</b>	<b>172,184</b>

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