Financial Results Briefing
Second Quarter 2016 Results
15 August 2016
2Q2016 Results
Higher PBT
Agenda

- Financial Highlights
  - 2Q2016 vs 2Q2015
  - 1H2016 vs 1H2015
- Business Review
- Outlook
## Financial Highlights
for the second quarter ended 30 June 2016

<table>
<thead>
<tr>
<th></th>
<th>2Q2016</th>
<th>2Q2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,623</td>
<td>1,545</td>
<td>▲ 5%</td>
</tr>
<tr>
<td>Earnings before interest &amp; tax (EBIT)</td>
<td>137.2</td>
<td>150.4</td>
<td>▼ 9%</td>
</tr>
<tr>
<td>Other income, net</td>
<td>24.6</td>
<td>5.4</td>
<td>▲ 356%</td>
</tr>
<tr>
<td>Finance income/(costs), net</td>
<td>(3.9)</td>
<td>(11.5)</td>
<td>▲ 66%</td>
</tr>
<tr>
<td>Profit before tax (PBT)</td>
<td>170.3</td>
<td>158.5</td>
<td>▲ 7%</td>
</tr>
<tr>
<td>Profit attributable to shareholders (Net Profit)</td>
<td>127.3</td>
<td>125.0</td>
<td>▲ 2%</td>
</tr>
</tbody>
</table>
Financial Highlights for the second quarter ended 30 June 2016

► Commercial sales at 65% (2Q2015: 64%; FY2015: 64%) or $1.1b of 2Q2016 revenue

► $11.6b order book; about $2.5b to be delivered in 2H2016 (end March 2016: $11.5b)

► CCE including funds under management of $1.3b (end March 2016: $1.5b)

► Comparable EBITDA of $193.2m (2Q2015: $195.8m) and EBIT of $137.2m (2Q2015:$150.4m) lower by 9%

► EVA for 1H2016 at $152.4m (1H2015: $173.4m)
## Group Revenue by sector

<table>
<thead>
<tr>
<th></th>
<th>Comparable Revenue</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'m</td>
<td>2Q2016</td>
<td>%</td>
<td>2Q2015</td>
<td>%</td>
</tr>
<tr>
<td>Aerospace</td>
<td>619</td>
<td>38</td>
<td>515</td>
<td>33</td>
<td>▲ 104</td>
</tr>
<tr>
<td>Electronics</td>
<td>445</td>
<td>27</td>
<td>413</td>
<td>27</td>
<td>▲ 32</td>
</tr>
<tr>
<td>Land Systems</td>
<td>283</td>
<td>17</td>
<td>317</td>
<td>21</td>
<td>▼ 34</td>
</tr>
<tr>
<td>Marine</td>
<td>248</td>
<td>15</td>
<td>254</td>
<td>16</td>
<td>▼ 6</td>
</tr>
<tr>
<td>Others</td>
<td>28</td>
<td>3</td>
<td>46</td>
<td>3</td>
<td>▼ 18</td>
</tr>
<tr>
<td>Group</td>
<td><strong>1,623</strong></td>
<td><strong>100</strong></td>
<td><strong>1,545</strong></td>
<td><strong>100</strong></td>
<td>▲ 78</td>
</tr>
</tbody>
</table>
Group Revenue
Breakdown by location of customers (by geography)

<table>
<thead>
<tr>
<th>Locality</th>
<th>2Q2015</th>
<th>2Q2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$m</td>
<td>%</td>
</tr>
<tr>
<td>Asia</td>
<td>930</td>
<td>60</td>
</tr>
<tr>
<td>USA</td>
<td>407</td>
<td>26</td>
</tr>
<tr>
<td>Europe</td>
<td>71</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td>137</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>1,545</td>
<td>100</td>
</tr>
</tbody>
</table>
EBIT by sector

Lower EBIT by $13.2m or 9%

<table>
<thead>
<tr>
<th></th>
<th>2Q2016</th>
<th>2Q2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>62.4</td>
<td>61.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Electronics</td>
<td>47.9</td>
<td>45.1</td>
<td>2.8</td>
</tr>
<tr>
<td>Land Systems</td>
<td>14.3</td>
<td>14.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Marine</td>
<td>17.0</td>
<td>26.2</td>
<td>9.2</td>
</tr>
<tr>
<td>Others</td>
<td>4.4</td>
<td>3.5</td>
<td>7.9</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>137.2</strong></td>
<td><strong>150.4</strong></td>
<td><strong>13.2</strong></td>
</tr>
</tbody>
</table>
## Group PBT by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>2Q2016</th>
<th>%</th>
<th>2Q2015</th>
<th>%</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>74.2</td>
<td>44</td>
<td>70.6</td>
<td>45</td>
<td>▲ 3.6</td>
</tr>
<tr>
<td>Electronics</td>
<td>51.2</td>
<td>30</td>
<td>46.6</td>
<td>29</td>
<td>▲ 4.6</td>
</tr>
<tr>
<td>Land Systems</td>
<td>27.8</td>
<td>16</td>
<td>16.3</td>
<td>10</td>
<td>▲ 11.5</td>
</tr>
<tr>
<td>Marine</td>
<td>20.4</td>
<td>12</td>
<td>29.6</td>
<td>19</td>
<td>▼ 9.2</td>
</tr>
<tr>
<td>Others</td>
<td>(3.3)</td>
<td>(2)</td>
<td>(4.6)</td>
<td>(3)</td>
<td>▲ 1.3</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>170.3</strong></td>
<td><strong>100</strong></td>
<td><strong>158.5</strong></td>
<td><strong>100</strong></td>
<td>▲ <strong>11.8</strong></td>
</tr>
</tbody>
</table>

**Higher PBT by $11.8m or 7%**
### PBT Margin by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>2Q2016</th>
<th>2Q2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>Electronics</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Land Systems</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Marine</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>10%</strong></td>
<td><strong>10%</strong></td>
</tr>
</tbody>
</table>
# Aerospace

## Higher Revenue

### 2Q2016 vs 2Q2015

<table>
<thead>
<tr>
<th></th>
<th>2Q2016</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$619m</td>
<td>▲ $104m</td>
<td>20%</td>
</tr>
<tr>
<td>Contribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>from new</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>$62.4m</td>
<td>▲ $1.4m</td>
<td>2%</td>
</tr>
<tr>
<td>Contribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>from new</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>lower salaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and related</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partially</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>offset by</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>higher</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>inventory</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>provision</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>higher</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>depreciation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and amortization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>$74.2m</td>
<td>▲ $3.6m</td>
<td>5%</td>
</tr>
<tr>
<td>Contribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>higher</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>wage credit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>grants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partially</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>offset by</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>unfavourable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>foreign exchange</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>movements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>higher</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>finance costs</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Electronics
Better Performance in 2Q2016

<table>
<thead>
<tr>
<th></th>
<th>2Q2016 vs 2Q2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$445m ▲ $32m or 8% • Higher revenue from LSG and CSG whilst SSG reported lower revenue</td>
</tr>
<tr>
<td>EBIT</td>
<td>$47.9m ▲ $2.8m or 6% • Gross profit from higher revenue and favourable product mix Partially offset by • Higher operating expenses</td>
</tr>
<tr>
<td>PBT</td>
<td>$51.2m ▲ $4.6m or 10% • Higher EBIT &amp; government grant</td>
</tr>
</tbody>
</table>
## Land Systems
### Higher Profits

<table>
<thead>
<tr>
<th>2Q2016 vs 2Q2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
</tr>
<tr>
<td>$283m</td>
</tr>
<tr>
<td>▼</td>
</tr>
<tr>
<td>$34m or 11%</td>
</tr>
<tr>
<td>• Lower project deliveries from Auto</td>
</tr>
<tr>
<td>• Divestment of a subsidiary, Guizhou Jonyang Kinetics (&quot;GJK&quot;)</td>
</tr>
<tr>
<td>Partially offset by</td>
</tr>
<tr>
<td>• Higher revenue from M&amp;W and S&amp;T</td>
</tr>
</tbody>
</table>

| **EBIT**          |
| $14.3m            |
| ▼                 |
| $0.3m or 2%       |
| • Lower EBIT due mainly to lower revenue and unfavourable product mix |
| Partially offset by |
| • Lower allowance for inventory obsolescence |
| • Absence of goodwill impairment |

| **PBT**           |
| $27.8m            |
| ▲                 |
| $11.5m or 71%     |
| • Gain on divestment of GJK |
## Marine

### Comparable revenue

<table>
<thead>
<tr>
<th></th>
<th>2Q2016 vs 2Q2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$248m ▼ $6m or 2%</td>
</tr>
<tr>
<td></td>
<td>• Lower revenue from Shipbuilding and Engineering business groups Partially offset by • Higher revenue from Shiprepair</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>$17.0m ▼ $9.2m or 35%</td>
</tr>
<tr>
<td></td>
<td>• In line with lower revenue and unfavourable project mix • Allowance for doubtful debts</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td></td>
</tr>
<tr>
<td>PBT</td>
<td>$20.4m ▼ $9.2m or 31%</td>
</tr>
<tr>
<td></td>
<td>• In line with lower EBIT Partially offset by • Higher government grants and receipt from a claim settlement</td>
</tr>
</tbody>
</table>
# Statement of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>2Q2016</th>
<th>2Q2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from/(used in):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td>184</td>
<td>(71)</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(3)</td>
<td>(152)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>(407)</td>
<td>(350)</td>
</tr>
<tr>
<td>Net decrease in CCE *</td>
<td>(226)</td>
<td>(573)</td>
</tr>
<tr>
<td>CCE at beginning of the year</td>
<td>1,029</td>
<td>1,671</td>
</tr>
<tr>
<td>Exchange difference</td>
<td>(3)</td>
<td>(6)</td>
</tr>
<tr>
<td>CCE at end of the year</td>
<td>800</td>
<td>1,092</td>
</tr>
</tbody>
</table>

* CCE – Cash & Cash Equivalents

- **Investments in bonds**
- **Payment of final dividends**
Agenda

► Financial Highlights
  ► 2Q2016 vs 2Q2015
  ► 1H2016 vs 1H2015

► Business Review

► Outlook
## Financial Highlights
for the first half year ended 30 June 2016

<table>
<thead>
<tr>
<th></th>
<th>1H2016</th>
<th>1H2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,250</td>
<td>3,056</td>
<td>▲ 6%</td>
</tr>
<tr>
<td>Earnings before interest &amp; tax (EBIT)</td>
<td>234.3</td>
<td>260.4</td>
<td>▼ 10%</td>
</tr>
<tr>
<td>Other income, net</td>
<td>46.7</td>
<td>26.2</td>
<td>▲ 78%</td>
</tr>
<tr>
<td>Finance income/(costs), net</td>
<td>(15.3)</td>
<td>(3.0)</td>
<td>▼ 418%</td>
</tr>
<tr>
<td>Profit before tax (PBT)</td>
<td>300.7</td>
<td>309.0</td>
<td>▼ 3%</td>
</tr>
<tr>
<td>Profit attributable to shareholders (Net Profit)</td>
<td>237.5</td>
<td>255.0</td>
<td>▼ 7%</td>
</tr>
</tbody>
</table>
## Group Revenue by sector

<table>
<thead>
<tr>
<th></th>
<th>1H2016</th>
<th>%</th>
<th>1H2015</th>
<th>%</th>
<th>Change</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>1,242</td>
<td>38</td>
<td>1,004</td>
<td>33</td>
<td>▲ 238</td>
<td>24%</td>
</tr>
<tr>
<td>Electronics</td>
<td>902</td>
<td>28</td>
<td>769</td>
<td>25</td>
<td>▲ 133</td>
<td>17%</td>
</tr>
<tr>
<td>Land Systems</td>
<td>567</td>
<td>17</td>
<td>663</td>
<td>22</td>
<td>▼ 96</td>
<td>15%</td>
</tr>
<tr>
<td>Marine</td>
<td>461</td>
<td>14</td>
<td>534</td>
<td>17</td>
<td>▼ 73</td>
<td>14%</td>
</tr>
<tr>
<td>Others</td>
<td>78</td>
<td>3</td>
<td>86</td>
<td>3</td>
<td>▼ 8</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>3,250</strong></td>
<td><strong>100</strong></td>
<td><strong>3,056</strong></td>
<td><strong>100</strong></td>
<td>▲ 194</td>
<td><strong>6%</strong></td>
</tr>
</tbody>
</table>
EBIT by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>1H2016</th>
<th>1H2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>122.2</td>
<td>116.4</td>
<td>5.8</td>
</tr>
<tr>
<td>Electronics</td>
<td>80.6</td>
<td>74.1</td>
<td>6.5</td>
</tr>
<tr>
<td>Land Systems</td>
<td>20.2</td>
<td>23.1</td>
<td>2.9</td>
</tr>
<tr>
<td>Marine</td>
<td>17.0</td>
<td>44.7</td>
<td>27.7</td>
</tr>
<tr>
<td>Others</td>
<td>(5.7)</td>
<td>2.1</td>
<td>7.8</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>234.3</strong></td>
<td><strong>260.4</strong></td>
<td><strong>26.1</strong></td>
</tr>
</tbody>
</table>
## Group PBT by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>1H2016</th>
<th>%</th>
<th>1H2015</th>
<th>%</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>149.3</td>
<td>50</td>
<td>142.0</td>
<td>46</td>
<td>▲ 7.3</td>
</tr>
<tr>
<td>Electronics</td>
<td>90.8</td>
<td>30</td>
<td>81.5</td>
<td>26</td>
<td>▲ 9.3</td>
</tr>
<tr>
<td>Land Systems</td>
<td>39.4</td>
<td>13</td>
<td>32.5</td>
<td>11</td>
<td>▲ 6.9</td>
</tr>
<tr>
<td>Marine</td>
<td>23.8</td>
<td>8</td>
<td>53.0</td>
<td>17</td>
<td>▼ 29.2</td>
</tr>
<tr>
<td>Others</td>
<td>(2.6)</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>▼ 2.6</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>300.7</strong></td>
<td>100</td>
<td><strong>309.0</strong></td>
<td>100</td>
<td>▼ 8.3</td>
</tr>
</tbody>
</table>
## Balance Sheet

<table>
<thead>
<tr>
<th>$ m</th>
<th>30-Jun-16</th>
<th>31-Dec-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>1,711</td>
<td>1,709</td>
</tr>
<tr>
<td>Associates &amp; joint ventures</td>
<td>371</td>
<td>462</td>
</tr>
<tr>
<td>Investments</td>
<td>301</td>
<td>328</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>968</td>
<td>736</td>
</tr>
<tr>
<td>Long-term receivables, non-current</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Amount due from related parties, non-current</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Finance lease receivables, non-current</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Derivative financial instruments, non-current</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>3,493</td>
<td>3,378</td>
</tr>
<tr>
<td>Current assets</td>
<td>4,616</td>
<td>4,791</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>8,109</strong></td>
<td><strong>8,169</strong></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>3,645</td>
<td>3,720</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>2,179</td>
<td>2,188</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>5,824</strong></td>
<td><strong>5,908</strong></td>
</tr>
<tr>
<td>Share capital and reserves</td>
<td><strong>2,016</strong></td>
<td><strong>2,132</strong></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>269</td>
<td>129</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>8,109</strong></td>
<td><strong>8,169</strong></td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td><strong>971</strong></td>
<td><strong>1,071</strong></td>
</tr>
</tbody>
</table>
Agenda

► Financial Highlights
  ► 2Q2016 vs 2Q2015
  ► 1H2016 vs 1H2015

► Business Review

► Outlook
2Q2016 In Review

► Aerospace

► New contracts worth about $770m, including:
  ► Various line and heavy airframe maintenance, cabin interior modification and EcoPower engine wash contracts

► New business developments include:
  ► Completed preliminary design phase for the Airbus A321P2F conversion programme
  ► Set up new components manufacturing site in Kodersdorf, Germany
  ► Inducted first Boeing 787 into the Singapore facility for heavy maintenance
2Q2016 In Review

► Electronics

► New contracts worth about $650m, including:
  ► Rail Electronics & Intelligent Transportation contracts; facility upgrade for new Air Traffic Control Tower in Maun Airport, Botswana; maintenance and support of a large public security project in the Greater China region; several contracts for smart street lighting in Israel and European cities; various satcoms systems contracts

► New business developments include:
  ► Launched ST Electronics-SUTD Cyber Security Lab supported by the National Research Foundation
  ► Signed MOU with Motorola to co-create technologies for advanced secured communications in public safety, national security & enterprise sectors
2Q2016 In Review

► Land Systems
  ► New contracts include:
    ► Training munitions from local customer
    ► CIS 50MG and 40mm munitions from overseas customers
    ► MAN Double Decker Buses from local customer
2Q2016 In Review

► Marine

► Delivered 2\textsuperscript{nd} of two 6,000hp Articulated Tug Barge for Bouchard Transportation Co., Inc

► Launched 2\textsuperscript{nd} and keel-laid 4\textsuperscript{th} of eight Littoral Mission Vessels (LMVs) for the Republic of Singapore Navy (RSN);

► Interim acceptance of final of four Patrol Vessels for the Royal Navy of Oman

► Delivered various shiprepair projects

► Completed EPC contract for the Expansion of Kranji NEWater Factory

► Completed O&M contract for the Brunei Integrated Waste Management Facility
Agenda

- Financial Highlights
  - 2Q2016 vs 2Q2015
  - 1H2016 vs 1H2015
- Business Review
- Outlook
Outlook For 2H2016

► **Aerospace**

► To induct first A330-300 aircraft into Dresden, Germany for freighter conversion

► To obtain Singapore Technical Standard Order certification for aircraft seats development

► Continue expanding support for high value aircraft components
Outlook For 2H2016

► Electronics

► LSG: Sales recognition from the LTA’s and Bangkok MRT projects

► CSG: Sales recognition from various communication system projects, the supply of telematics systems & satellite communication products

► SSG: Sales recognition from the milestone completions of various software system projects, simulator projects and managed services sales
Outlook For 2H2016

► Land Systems

► Continue to pursue key defence programmes locally & overseas, and to deliver secured contracts on schedule

► Continue to pursue automotive sub-systems and services & agencies sales and enhance current key core product line for our speciality vehicles
Outlook For 2H2016

► **Marine**

► To launch 3rd of eight LMVs for RSN

► To deliver 2nd of eight LMVs for RSN and Flat Deck Cargo Barge “Columbia Freedom” for Pacific Hawaiian Line, Inc.

► To complete the Testing and Commissioning Phase for the Tianjin Eco-City Pneumatics Waste Collection System
Group Outlook for 2H2016

Barring unforeseen circumstances, the Group expects 2H2016 Revenue to be higher, while PBT is expected to be lower than that of 1H2016.

- For Aerospace sector, Revenue for 2H2016 is expected to be higher, while PBT is expected to be lower than that of 1H2016.

- For Electronics sector, both Revenue and PBT for 2H2016 are expected to be higher than that of 1H2016.

- For Land Systems sector, Revenue for 2H2016 is expected to be comparable while PBT is expected to be lower than that of 1H2016.

- For Marine sector, Revenue for 2H2016 is expected to be lower, while PBT is expected to be higher than that of 1H2016.
Group Outlook for FY2016

Barring unforeseen circumstances, the Group expects Revenue to be higher, and PBT to be lower than that of FY2015.
President & CEO’s Message

“For 2Q2016, Group Revenue and PBT came in at $1,623m and $170.3m respectively. There was an increase of $78m in Group Revenue and $11.8m in PBT over the corresponding quarter in 2015. For 1H2016, Group Revenue was higher than that in 1H2015. The PBT for 1H2016 was comparable to that in 1H2015. The Group completed its divestment of Guizhou Jonyang Kinetics Co., Ltd in the quarter, as part of the Land Systems sector's continuous review of its specialty vehicle business in China.

The Group continued to secure new orders and ended the quarter with a healthy order book of $11.6b. The Group’s cash and cash equivalents, including funds under management, stand at $1.3b.

Barring unforeseen circumstances, the Group expects FY2016 Revenue to be higher, but PBT to be lower compared to FY2015. The global economic outlook remains challenging with industry headwinds facing the marine business, the slow-down in the China economy, and negative business sentiment that is prevalent in Europe and other parts of the world.”

~ Tan Pheng Hock, President & CEO, ST Engineering
Thank You
Empowering thru’ Innovation

Electronics sector – Smart Cities

Presented at
ST Engineering 2Q2016 Financial Results Briefing
15 August 2016
Why do cities need to be Smart?
Urbanisation Challenges Driving Markets

**Market Drivers**

- Global demand for Internet-Everywhere
- Increasing demand for High-Throughput connectivity
- Increasing demand for Machine-to-Machine communications

**Market Drivers**

- Higher population density --- social tension & insecurity
- Increased risk of terror attacks
- Multi-faceted attacks – both physical & cyber

**Market Drivers**

- Increased pressure on road & rail infrastructure
- Need for efficient people mover system to overcome traffic congestion

**Market Drivers**

- Effective City & Township planning
- Drive for environmental sustainability
- Increased pressure on land resources
- Concerns on climate change
ST Electronics’ Smart Cities Solutions
Connectivity - M2M Solutions

Galaxy Wide Area Comms Infrastructure

Low Power Wide Area (Licensed or Unlicensed Frequencies)
Connectivity - M2M Solutions

RF Mesh Networks
Connectivity - M2M Solutions

Global Footprint

From Water Resources Management
To Smart Street Lighting

More than 14 million Radio Modules
Sold Globally

Canada
America
Brazil
UK
France
Hungary
Israel
New Zealand
Overseas Track Record for M2M Solutions

Israel, USA, Canada, Brazil, New Zealand, UK, France
IDA Jurong District Lake Call for Collaboration (CFC)

Projects:
- Test bed Infrastructure
- Multi-Modal Positioning in an Urban Environment
- Smart Traffic Management System
- Estate Energy Management System
- Operational Solutions for Parks
- Smoking Detection at Bus Stop
- Smart Walk Application
Singapore Track Record for M2M Solutions

Intelligent Energy System

PUB Water Automated Meter Reading (AMR) Pilot Trial @ Punggol

PUB Intelligent Water Management System

To enhance PUB’s water operations and information management of Singapore’s water resources

Energy Increase Retail Contestability
Singapore Track Record for M2M Solutions

Intelligent Car Parking System (e.g. CapitaLand Malls)

Intelligent Building Management System (e.g. Capital Tower)

Intelligent Lighting System for HDB

Smart Street Lightings for LTA, NParks
Connectivity - Communications Infrastructure

Intelligent backhaul to the core network

Low cost, low power, outdoor small cell

High capacity, lower cost satellite bandwidth

Optimised outdoor satellite router

Capitalising on
- Demand for High-Throughput Satellites Services
- Convergence of Satellite & Core network
Cyber Security

Critical Infrastructure

DigiSAFE Secure Endpoint

DigiSAFE DiskCrypt Mobile

DigiSAFE Secure VPN

DigiSAFE Cyber Computer

DigiSAFE Secure Network

Remote Office

DigiSAFE NetCrypt 10/10E

DigiSAFE NetCrypt 30

DigiSAFE NetCrypt 500

Main Office

DigiSAFE EtherCrypt 10G

Roaming Users

DigiSAFE NetCrypt Mobile

DigiSAFE Secure Mobile Voice

Head Office/Data Centre

DigiSAFE EtherCrypt 10G

DigiSAFE Secure DeskPhone

DigiSAFE DiskCrypt Mobile

DigiSAFE Secure VPN
Cyber Security

► Designed & built 3 major Cyber Security Ops Centres (SOC), valued at $200M
► Built & operate 24/7 ST Engineering Cyber SOC
► Implemented Cyber Network Separation
Cyber Security Training

ST Electronics congratulates the accreditation of DigiSAFE® Cyber Security Centre as an Approved Training Organisation (ATO) by WDA.

The Centre is located at the Devan Nair Institute for Employment and Employability. Hotline: 6513 9535. www.digisafe.com

Distinguished Partners

ST Electronics recognizes that many cyber security professionals are needed in this war against emerging cyber threats. With the ATO accreditation, DigiSAFE Cyber Security Centre can now more rapidly increase the pool of high-quality Cyber Security Professionals to meet the industry's needs.

The Centre operates in providing Cyber Security Operations, Experimental and Prototyping Research. It has successfully trained more than 500 cyber security professionals including cyber analysts, cyber security specialists, cyber incident responders, and cyber security operations managers to support Singapore's Smart Nation drive.

Established by ST Electronics (Safe-Security) in 2014, its training arm, the Digisafe Cyber Security Centre, leverages ST Electronics' strong capabilities and proven track record in providing comprehensive cyber security solutions and operations centres for government and commercial organizations.

Cyber Security Associate and Technologist Program (CSAT)

Only Official Training Partner in Singapore
Appointed by International Information System Security Certification Consortium, Inc.

SSCP"
Cyber Security Research

ST Electronics: Innovating Next-Gen Cyber Security Solutions

As a pioneering and leading provider of cyber security solutions for government agencies and large enterprises for almost three decades, ST Electronics designs, builds and operates Cyber Security Operations Centres (Cyber SOCs) to help organisations detect, defend and recover from cyber attacks.

With the ever-increasing number of cyber threats and adversaries, a cyber environment is volatile and unpredictable. In the event of a successful cyber attack, a company may be faced with a catastrophic loss of assets, disruption of operations as well as irreversible damage to its reputation.

ST Electronics – Always Ahead Of The Curve

Singapore Technologies Electronics Limited (ST Electronics) has designed and built four major Cyber SOCs for Singapore-based customers, with a value of more than $200 million. These Cyber SOCs are equipped with advanced Security Incident and Event Management (SIEM) technologies, as well as Cyber Analytics, Cyber Threat Intelligence and Cyber Security sensors, which have been audited and rated as comparable to leading Cyber SOCs in the world.

Investing In Future Cyber Capabilities

Today’s official launch of the ST Electronics-Singapore University of Technology and Design (SUTD) Cyber Security Laboratory (CSL) marks ST Electronics’ continued commitment to building a new and trusted Cyber Capabilities to protect organisations from cyber attacks.

Supported by the National Research Foundation Singapore (NRF), this $44.3 million joint laboratory is the first under the Corporate Laboratory@University Scheme in focus on cyber security.

Dr Yaacob Ibrahim, Minister for Communications and Information and Minister-in-charge of Cyber Security was the Guest of Honour at the launch of the CSL. He congratulated ST Electronics and NUS on their contribution to cyber security.

In ST Electronics, having a set of strong in-house capabilities allows us to push the...
Public Security Solutions

Area Surveillance & Intrusion Detection (ASID)

Integrated Security Management Systems (ISMS)

Emergency Response Systems (ERS)
Public Security Track Record

- Command & Control Systems
  - Hong Kong Fire Services
  - Suzhou Police
  - Hong Kong Marine Police
  - Singapore Police Force (Cubicon)
  - Singapore Civil Defence Force (ACES)
  - Botswana Police Service

- Command Hubs & Integrated Communication Systems
  - Taiwan National Fire Agency
  - Brunei Royal Guard
  - Singapore Police Force
  - Singapore Civil Defence Force
  - UN Peace Keeping Corps
  - Indonesia Army

- Communication Networks
  - Ministry of Home Affairs
  - Police Coast Guard

- Video Surveillance & Analytics Systems
  - Ministry of Home Affairs
  - Singapore Police Force
  - Immigration & Customs Authority

- e-Notification System
  - Qatar Amiri Guard
  - Singapore Police Force
  - Singapore Prison Service
  - Singapore Civil Defence Force
Area Surveillance & Intrusion Detection
Track Record

- Changi Airport Group
  - Singapore
  - AgilFence

- SBS Transit
  - Singapore
  - AgilFence

- PCG & MPA
  - Singapore
  - AgilTrack

- SP Setia Group
  - Malaysia
  - AgilFence

- Prasarana (KL Bus Depot)
  - Malaysia
  - AgilFence

- Southern Power Grid
  - China
  - AgilTrack

Awards Received
- ASEAN Outstanding Engineering Achievement 2013
- IES Prestigious Engineering Achievement 2013
Integrated Security Management System

Track Record

V2—QNX platform With Robustness

V3—Windows OS & ObjectStore DB

V5—SQL DB Adopt SSID

V7—Web-based .NET development
New IOS: ARM based TCP/IP, Linux OS

2008
Bangkok Airport
2007
Capital Museum

2007
Boys Home
2007
Liao Ning Museum

2005
Temasek Poly
2009
Dubai Festival City

2006
UOB Plaza
2006
Shanghai Museum

2000
Capital Tower
2006
NUS

2005
SMU
2009
Grand Indonesia

2004
Jin Mao
2007
Capital Museum

2010
KTP Hospital
2010
Changi Hospital

2012
Singapore Pools
2012
MBFC

2013
NTU-NIE
2011
Changi APCS3

2011
NTU-NIE
2011
SUB Court

2013
Changi APCS3 Upgrade
2014
National Art Gallery

2013
Mauritius Melrose Prison


Version 3.0

Version 5.0

Version 7.0
Intelligent Rail Transportation Track Record (Singapore)

1st & 2nd MRT LINE

- **NSL**
  - North South-East West Line
  - Comms
  - ISCS
  - PSD
  - PSM (AFC)
  - PIS
  - Train Cab Simulator
- **EWL**
- **NEL**
  - North-East Line
  - ISCS
  - iMMS
  - PSD
  - PSM (AFC)
  - PIS
  - AMS
- **CCL**
  - Circle Line
  - Back up OCC
  - Comms
  - Commercial Radio
  - ISCS
  - iMMS
  - PSD
  - STIS
  - Trainborne Comms
- **DTL**
  - Downtown Line
  - Back up OCC
  - Comms
  - Commercial Radio
  - ISCS
  - iMMS
  - AMS
  - PSD
- **TEL**
  - Thomson - East Coast Line
  - Comms
  - Commercial Radio
  - iMMS
  - AMS
  - PSD

**LRT & MONORAIL**

- **SPLRT**
  - Sengkang Punggol LRT
  - Comms
  - PIS
  - BMS
  - Intrusion Detection System
- **Sentosa**
  - Sentosa Express
  - AFC
  - PGD
Intelligent Rail Transportation Track Record (Overseas)

- Only company in Asia with full suite of in-house Intelligent Rail Solutions
- Trusted OEM to Global Rolling Stock Manufacturers e.g. ALSTOM and Bombardier

Projects in > 20 cities outside of Singapore
> 100 Transit Systems Delivered Globally
Intelligent Rail Transportation
- Next Generation Products

C3 & iMMS

Smart Metro
- Data Analytics
- Predictive Maintenance

Full Productization
- Common Platform
- Software reusable for all projects

Alternative Database Migration
- DB2 to MS

Product Diversification
- Train door

Product Integration
- PA, PIS, CCTV & track-train wireless

Environment Hardening
- Desert
- Winter

Enhanced Safety
- SIL 3 & 4

Clearing House
- Multimodal
- City/region wide

Enhanced Payment
- NFC support
- Using online wallet
- Countrywide/Global bank credit cards

Mobile & Open Payment
- City/region wide

Station-Traveller Info System Enhancement
- IP based

Environment Hardening
- Desert
- Winter

Enhanced Safety
- SIL 3 & 4

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- City/region wide
Environmental - Satellite Imagery Services

Imagery Products
- TeLEOS-1 (EO: 1m)
- KOMPSAT 2/3 (EO: 1m/0.7m)
- PLEAIDES 1A/1B (EO: 0.5m)
- SPOT 6/7 (EO: 1.5m)
- KOMPSAT 5 (SAR)
- COSMO-SkyMed (SAR)
- TerraSAR-X (SAR)
- ALOS-2 (SAR)

First Initiatives
- Orthorectification & Mosaicking
- Pansharpening & Colour Enhancement
- Image Exploitation & Interpretation

Insights
- Data Fusion Analysis Solutions
- Monitoring Solutions
- GIS Solutions

Remote Sensing Services
- Satellite Access Services
- Ground Control Station ICIT
- Satellite O&M Services
- Training & Consultancy
ST Electronics Competitive Edge

► Develop industry-leading high-tech products that can sell in multiple markets overseas

► Innovative Products
  ► Quality & Reliability
  ► Optimal design
  ► Track records
  ► Certifications
  ► Competitive Pricing

► Very fast changing industry, driven by rapid tech advances – need to continuously stay ahead of the curve

► Develop Globally Competitive Businesses
Thank You