



SIA ENGINEERING COMPANY

H1 FY2011/12 Performance Review – Financial Review

Summary of Group Results

	1HFY1112	1HFY1011	Variance	
	\$M	\$M	%	
Revenue	550.0	565.4	-	2.7
Expenditure	481.3	494.8	-	2.7
Operating profit	68.7	70.6	-	2.7
Share of JV & Assoc Cos' Profits	77.7	77.0	+	0.9
Profit before tax	155.2	158.5	-	2.1
Net profit	139.3	137.3	+	1.5
Net profit margin (%)	25.3	24.3	+	1.0 pts

2QFY1112 Group Results

	2QFY1112 \$M	2QFY1011 \$M	Variance %	
Revenue	272.4	277.1	-	1.7
Expenditure	238.4	242.7	-	1.8
Operating profit	34.0	34.4	-	1.2
Share of JV & Assoc Cos' Profits	40.5	37.8	+	7.1
Profit before tax	78.0	76.0	+	2.6
Provision for tax	6.0	8.8	-	31.8
Net profit	71.2	66.5	+	7.1
Net profit margin (%)	26.1	24.0	+	2.1 pts

Breakdown of Group Revenue

	1HFY1112	1HFY1011	Variance
	\$M	\$M	%
Airframe & Component Overhaul	270.5	287.2	- 5.8
Fleet Management	84.8	82.0	+ 3.4
Repair & Overhaul	355.3	369.2	- 3.8
Line Maintenance	194.7	196.2	- 0.8
	550.0	565.4	- 2.7

Group Expenditure

	1HFY1112 \$M	1HFY1011 \$M	Variance %
Staff costs	234.5	222.6	+ 5.3
Materials	103.3	122.9	- 15.9
Subcontract costs	64.1	58.2	+ 10.1
Overheads	79.4	91.1	- 12.8
Expenditure	481.3	494.8	- 2.7

Profit Contribution

	1HFY1112 \$M	1HFY1011 \$M	Variance %
<u>Operating Segments</u>			
Repair & Overhaul	28.9	26.8	+ 7.8
Line Maintenance	39.8	43.8	- 9.1
	68.7	70.6	- 2.7
<u>JVs and Associated Cos</u>			
Engine Overhaul and Component	69.7	69.5	+ 0.3
Others	8.0	7.5	+ 6.7
	77.7	77.0	+ 0.9

SIA vs Non-SIA Revenue

	SIA \$M	Non-SIA \$M	Total \$M
SIAEC	317.3	196.1	513.4
<i>% of non-SIA work</i>		38%	
Subsidiary Cos	24.5	30.1	54.6
<i>% of non-SIA work</i>		55%	
JVs & Associated Cos			
- Engine Overhaul and Component	392.7	1,112.0	1,504.7
- Others	24.5	137.1	161.6
	417.2	1,249.1	1,666.3
<i>% of non-SIA work</i>		75%	
Combined revenue	759.0	1,475.3	2,234.3
<i>% of non-SIA work</i>		66%	

Financial Statistics

	1HFY1112	1HFY1011		
EPS (cents)	12.7	12.7	-	%
Return on average shareholders' funds (%)	21.3	21.9	-	0.6 pts
	As at Sept 11	As at Mar 11	Variance %	
Shareholders' equity (\$M)	1,194.1	1,302.7	-	8.3
Net asset value per share (cents)	108.9	119.4	-	8.8
Cash position (Grp) (\$M)	388.9	581.4	-	33.1



Operations Review

Line Maintenance

+4.4%

Flights handled at
Changi Airport

H1FY11/12

56,967

H1FY10/11

54,546

4 New Contracts



Condor

STRATEGIC
AIRLINES

3 Renewed Contracts

Jet★

AIR CHINA

AIR MAURITIUS

Aircraft & Component Services



	<u>H1FY11/12</u>	<u>H1FY10/11</u>
'A' checks*	228	224
'C' checks	54	62
'D' checks	8	10

* Performed in Singapore & Bahrain

11 New Contracts



STRATEGIC CUSTOMERS

June 2011

SIA Cargo Services Agreement

- Renewal of comprehensive Services Agreement
- 5-year term
- Contract value: \$358 million

Sep 2011

Transaero Cabin Reconfiguration

- Commenced work on reconfiguration of B777 aircraft

Oct 2011

Gulf Air Cabin Reconfiguration

- Commenced work on reconfiguration of A319 and A330 aircraft



STRATEGIC PARTNERSHIPS

April 2011

Launch of SAFRAN Joint Venture Facility

- JV with world-leading avionics OEM
- SAFRAN's first avionics Centre of Excellence in Asia

May 2011

IFE JV with Panasonic Avionics Corp

- Commenced operations at Changi Airport

June 2011

Aircelle GTA

- Signed General Terms of Agreement for maintenance of nacelle and thrust reverser systems on A380, A330 and A340

Sept 2011

Messier-Bugatti-Dowty ARC

- Signed Letter of Intent to work towards appointing SIAEC as an Authorised Repair Centre (ARC) for carbon wheels & brakes



Interim Dividend (Tax Exempt One-Tier)

(in cents per share)

Ordinary

6.0 cents

- Demand in the near term is expected to be stable.
- Prevailing global economic and financial uncertainties will impact recovery of the aviation industry.
- Vigilance on cost and efficiency management will remain key priorities.



Thank You