

SIA Engineering Company 1H FY 07/08 Performance Review

*Analyst Briefing
1 November 2007*





SIA Engineering Company

1H FY 07/08

FINANCIALS



Summary of Group Results

	1H FY07/08	1H FY06/07	Variance
	\$M	\$M	%
Revenue	535.9	492.9	+ 8.7
Expenditure	472.6	425.1	+ 11.2
Operating profit	63.3	67.8	- 6.6
Share of JV & Assoc Cos Profits	82.9	67.7	+ 22.5
Profit before tax	160.5	154.9	+ 3.6
Net profit	145.0	138.4	+ 4.8
Net profit margin (%)	27.1	28.1	- 1.0 pts

Group Revenue By Segment

	1H FY07/08	1H FY06/07	Variance
	\$M	\$M	%
Airframe & Component Overhaul	336.4	306.3	+ 9.8
Line Maintenance	166.3	154.3	+ 7.8
Fleet Management	33.2	32.3	+ 2.9
	535.9	492.9	+ 8.7

Group Expenditure

	1H FY07/08	1H FY06/07	Variance
	\$M	\$M	%
Staff costs	214.6	185.3	+ 15.8
Materials	138.4	124.0	+ 11.6
Overheads	119.6	115.8	+ 3.3
Expenditure	472.6	425.1	+ 11.2

Key Contributors to Profit

	1H FY07/08 \$M	1H FY06/07 \$M	Variance %
<u>Operating Divisions</u>			
Airframe & Component Overhaul	37.5	35.3	+ 6.2
Line Maintenance	20.5	23.4	- 12.4
Fleet Management	5.3	9.1	- 41.8
<u>JV & Associated Cos</u>			
Engine Overhaul Centres	47.2	36.7	+ 28.6
Others	35.7	31.0	+ 15.2
Non-operating	14.3	19.4	- 26.3
Profit before taxation	160.5	154.9	+ 3.6

SIA vs Non-SIA Revenue

	SIA \$M	Non-SIA \$M	Total \$M
SIAEC	396.2	119.5	515.7
<i>% of non-SIA work</i>		23%	
Subsidiary Cos	20.5	7.2	27.7
<i>% of non-SIA work</i>		26%	
JV & Associated Cos			
- Engine Overhaul Centres	319.1	703.2	1,022.3
- Others	16.0	287.3	303.3
	335.1	990.5	1,325.6
<i>% of non-SIA work</i>		75%	
Combined revenue	751.8	1,117.2	1,869.0
<i>% of non-SIA work</i>		60%	

Financial Statistics

	As at Sept 07	As at Mar 07	Variance %
Shareholders' equity (\$M)	1,079.6	997.1	+ 8.3
Net asset value per share (cents)	100.7	93.9	+ 7.2
Cash position (Grp) (\$M)	360.0	400.3	- 10.1
	1H FY07/08	1H FY06/07	
EPS (cents)	13.6	13.2	+ 2.9 %
Return on average shareholders' funds (%) (MAA)*	24.7	28.0	- 3.3 pts

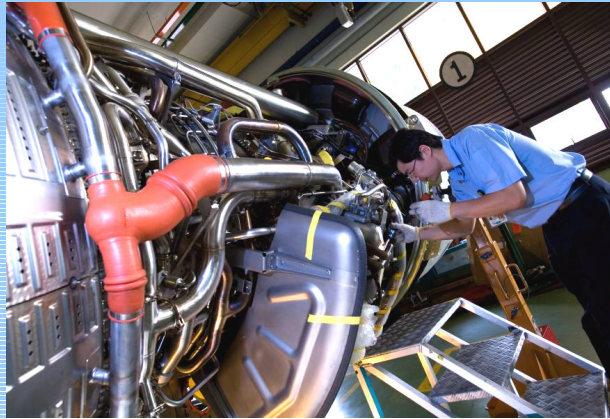
* MAA denotes moving annual average

Summary of 2Q FY07/08 Group Results

	2Q FY07/08	2Q FY06/07	Variance
	\$M	\$M	%
Revenue	265.8	244.3	+ 8.8
Expenditure	231.7	209.6	+ 10.5
Operating profit	34.1	34.7	- 1.7
Share of JV & Assoc Cos Profits	42.3	35.4	+ 19.5
Profit before tax	82.8	80.4	+ 3.0
Net profit	74.5	72.0	+ 3.5
Net profit margin (%)	28.0	29.5	- 1.5 pts

Interim Dividend

		\$M
Tax-Exempt (One-Tier) Interim Dividend:		
Ordinary	4 cents/share	42.9
Payout ratio		29.6%



SIA Engineering Company

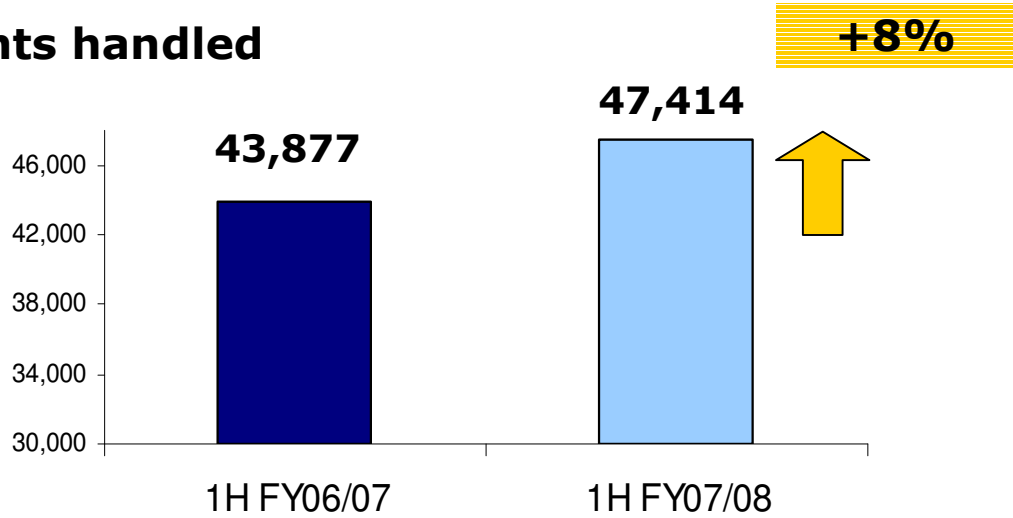
1H FY 07/08

OPERATIONS



LINE MAINTENANCE

Flights handled



13 new customers (AOG/Certifications):



LINE MAINTENANCE


■ Extending services overseas Aircraft Maintenance Services Australia (AMSA)

- 6 key airports in Australia:
 - Sydney, Brisbane, Coolangatta, Melbourne, Adelaide, Perth
- 11 airports over the next year (2 in New Zealand)



AIRFRAME MAINTENANCE

<u>Checks</u>	<u>1HFY06/07</u>	<u>1HFY07/08</u>
A	204	173
C	57	67
D	22	20



+10%

10 new/renewed 3rd party contracts
\$174.2M



AIRFRAME MAINTENANCE

Going forward >>>

■ Hangar 6

10% additional capacity

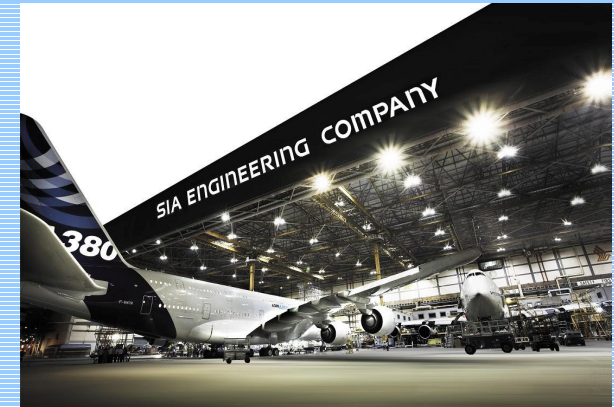
A380 capable

- \$65 million invested in hangar, training and tooling; trained 160 engineers & technicians

■ Overseas facilities

Near-term: Philippines

Long-term: China, India, Vietnam, Australia



COMPONENT OVERHAUL

No. of Components Serviced

1HFY06/07

64,968

1HFY07/08

68,494

+5.4%



FLEET MANAGEMENT PROGRAMME

- Fleet size= 48
Projected to grow to 60 by
end FY07/08

Going forward >>>

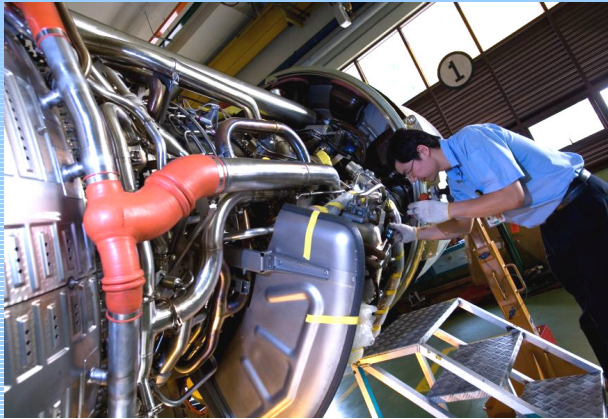
- FMP services to cover B777



OUTLOOK

- Robust traffic growth
- Intense MRO competition
- JVs to sustain strong performance
- SIAEC is well-placed to meet the needs of airlines operating the A380





Thank You

