



SIA ENGINEERING COMPANY
FY2008/09 H1 Performance Review
3 Nov 2008



FINANCIAL REVIEW



Summary of Group Results – Quarter 1 & 2

	FY08/09			Variance %	
	1Q \$M	2Q \$M	Total \$M		
Revenue	250.2	279.3	529.5	+	11.6
Expenditure	233.8	239.2	473.0	+	2.3
Operating profit	16.4	40.1	56.5	+	144.5
Share of JV & Assoc Cos Profits	43.6	39.7	83.3	-	8.9
Profit before tax	65.6	84.2	149.8	+	28.4
Net profit	58.7	73.4	132.1	+	25.0
Net profit margin (%)	23.5	26.3	24.9	+	2.8 pts

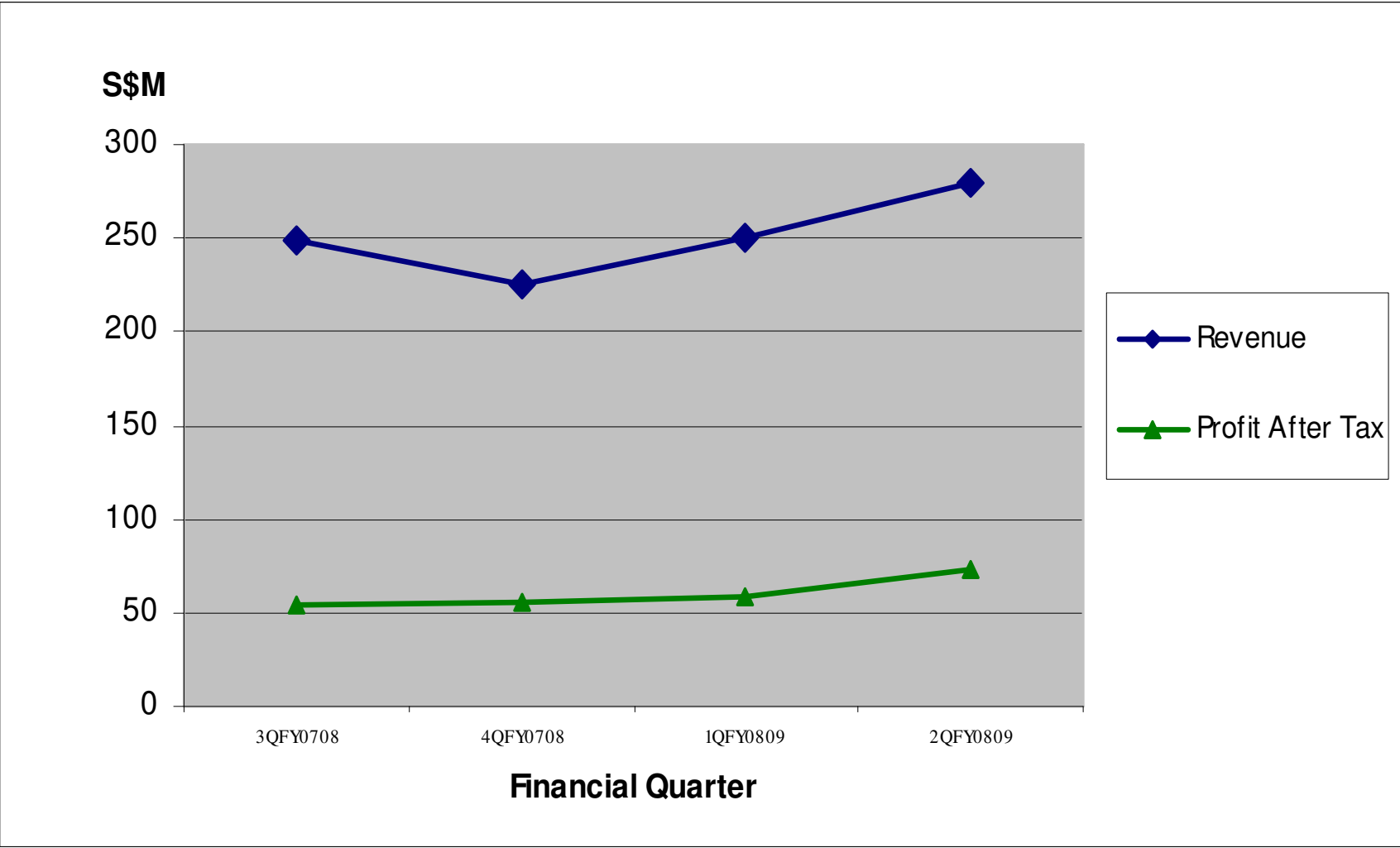


Summary of 2QFY08/09 Group Results

	2QFY08/09 \$M	2QFY07/08 \$M	Variance %
Revenue	279.3	265.8	+ 5.1
Expenditure	239.2	231.7	+ 3.2
Operating profit	40.1	34.1	+ 17.6
Share of JV & Assoc Cos Profits	39.7	42.3	- 6.1
Profit before tax	84.2	82.8	+ 1.7
Net profit	73.4	74.5	- 1.5
Net profit margin (%)	26.3	28.0	- 1.7 pts



Group Performance – Quarterly Trend



Summary of Group Results

	1H FY08/09	1H FY07/08	Variance
	\$M	\$M	%
Revenue	529.5	535.9	- 1.2
Expenditure	473.0	472.6	+ 0.1
Operating profit	56.5	63.3	- 10.7
Share of JV & Assoc Cos Profits	83.3	82.9	+ 0.5
Profit before tax	149.8	160.5	- 6.7
Net profit	132.1	145.0	- 8.9
Net profit margin (%)	24.9	27.1	- 2.2 pts



Group Revenue By Segment

	1HFY08/09 \$M	1HFY07/08 \$M	Variance %
Airframe & Component Overhaul Services	317.1	336.4	- 5.7
Line Maintenance & Technical Ground Handling	179.8	166.3	+ 8.1
Fleet Management	32.6	33.2	- 1.8
	529.5	535.9	- 1.2



Group Expenditure

	1H FY08/09	1H FY07/08	Variance
	\$M	\$M	%
Staff costs	226.3	214.6	+ 5.5
Materials	111.0	138.4	- 19.8
Overheads	135.7	119.6	+ 13.5
Expenditure	473.0	472.6	+ 0.1



Key Contributors to Profit

	1H FY08/09 \$M	1H FY07/08 \$M	Variance %
<u>Operating Divisions</u>			
Airframe & Component Overhaul	23.5	37.5	- 37.3
Line Maintenance	32.5	20.5	+ 58.5
Fleet Management	0.5	5.3	- 90.6
<u>JV & Associated Cos</u>			
Engine Overhaul Centres	51.1	47.2	+ 8.3
Others	32.2	35.7	- 9.8
Non-operating	10.0	14.3	- 30.1
Profit before taxation	149.8	160.5	- 6.7



SIA vs Non-SIA Revenue

	SIA \$M	Non-SIA \$M	Total \$M
SIAEC	339.6	165.5	505.1
<i>% of non-SIA work</i>		33%	
Subsidiary Cos	21.9	16.7	38.6
<i>% of non-SIA work</i>		43%	
JV & Associated Cos			
- Engine Overhaul Centres	393.1	655.4	1,048.5
- Others	25.4	297.0	322.4
	418.5	952.4	1,370.9
<i>% of non-SIA work</i>		69%	
Combined revenue	780.0	1,134.6	1,914.6
<i>% of non-SIA work</i>		59%	



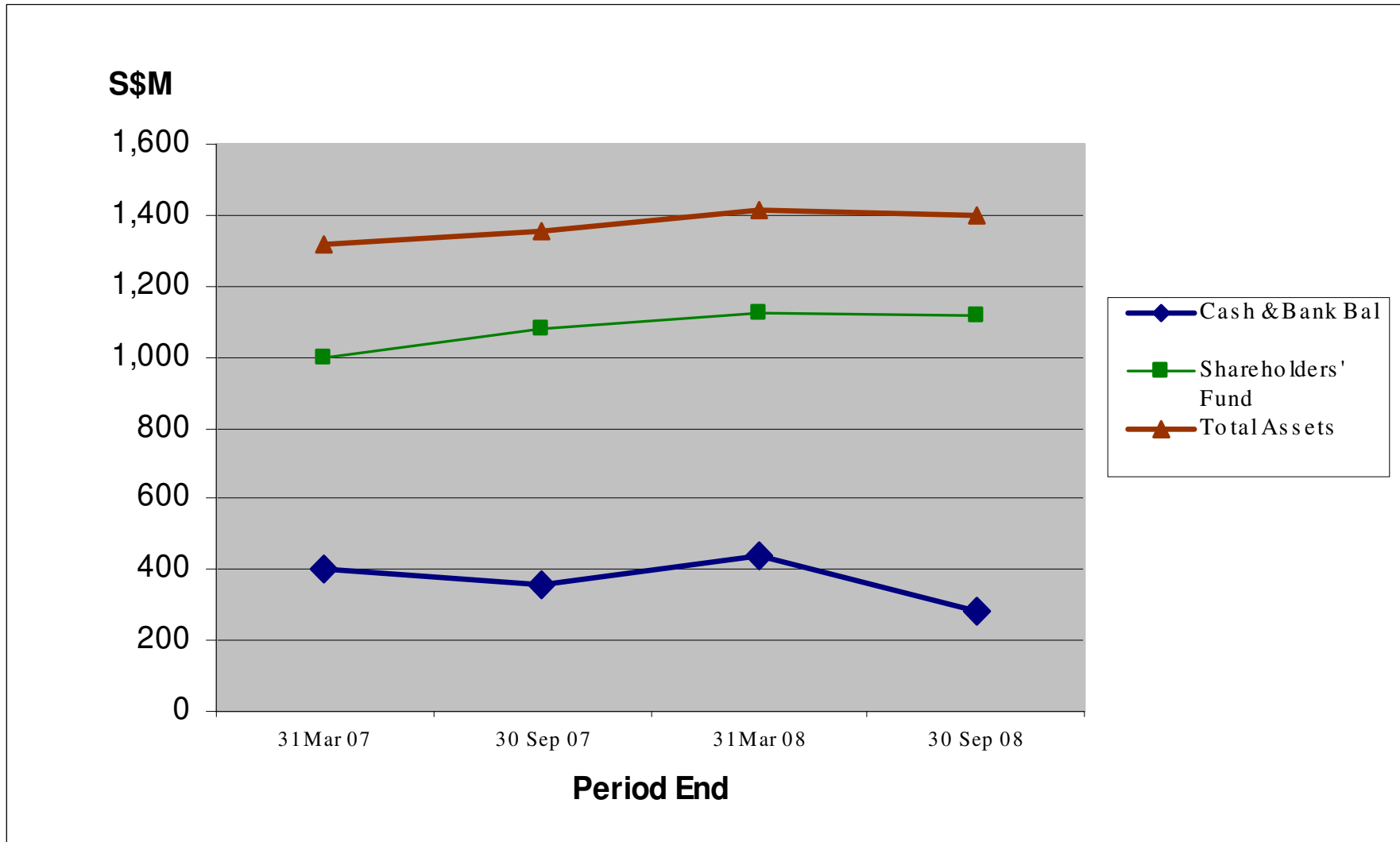
Financial Statistics

	As at Sept 08	As at Mar 08	Variance %
Shareholders' equity (\$M)	1,112.7	1,125.3	- 1.1
Net asset value per share (cents)	103.2	104.7	- 1.4
Cash position (Grp) (\$M)	280.5	437.3	- 35.9
Borrowings (\$M)	-	-	-
	1HFY08/09	1HFY07/08	
EPS (cents)	12.3	13.6	- 9.6 %
Return on average shareholders' funds (%) (MAA)*	22.0	24.7	- 2.7 pts

* MAA denotes moving annual average



Group Financial Position



Interim Dividend

		\$M
Tax-Exempt (One-Tier) Interim Dividend:		
Ordinary	5 cents/share	53.9
Payout ratio		41.0%





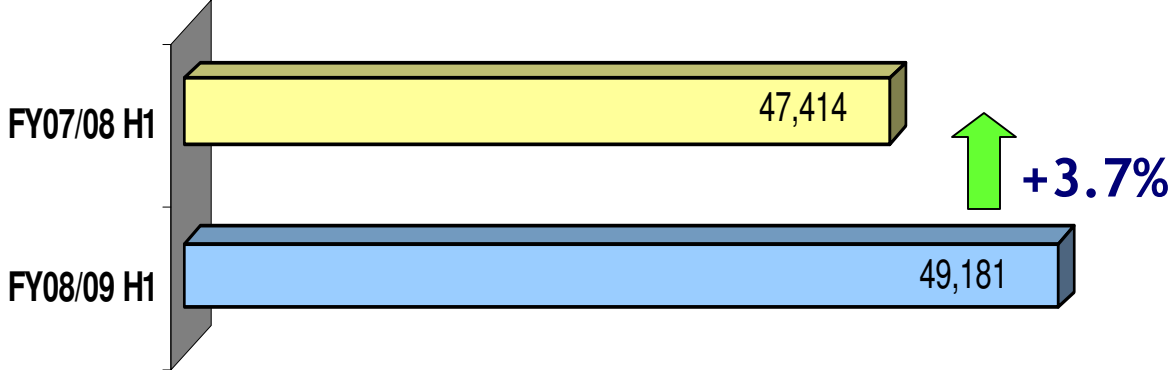
OPERATIONS REVIEW



Line Maintenance



No. of flights handled



7 New Customers:



7 Renewed Contracts:



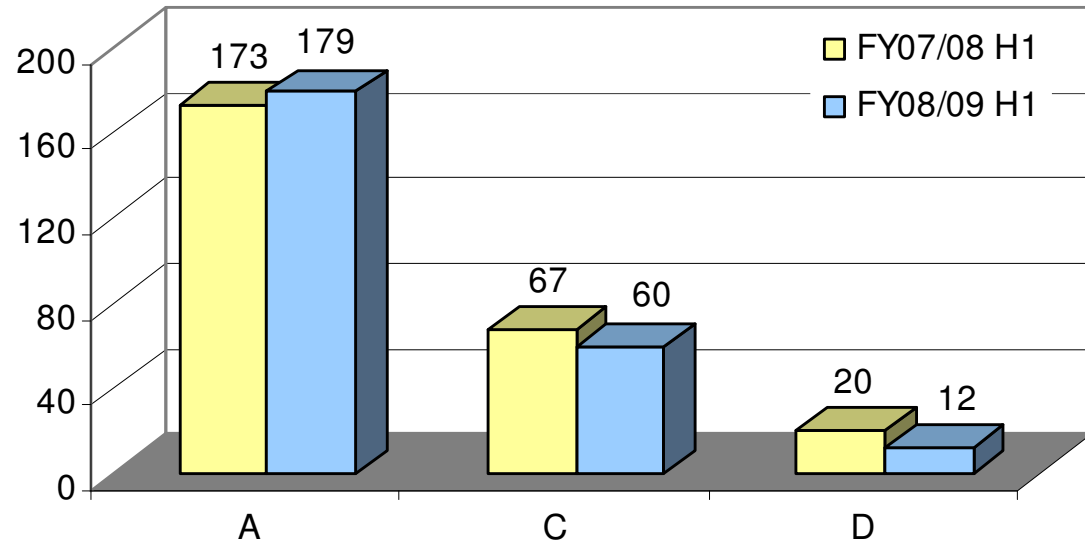
5 Expanded Contracts:



Airframe Maintenance



Types of Checks



6 new contracts:



2 renewed contracts:



8 New/Renewed Contracts worth \$27M

Component Overhaul

No. of Components Serviced

FY07/08 H1
68,494

FY08/09 H1
61,998

Non-scheduled Component Work:

- Completed \$1M Aircraft Cabin Maintenance & Management (ACMM) contract with Gulf Air
- Secured 3-year contract valued at US\$5.2M from Airbus for A330/A340 Spoiler AD Programme



Fleet Management

Secured 2 New Contracts worth \$346M



59 aircraft in service as at 30 Sep 2008:

A319/A320 fleet

SilkAir	15
Tiger Airways	12
Cebu Pacific	18
Mandala	8

B747-400 fleet

Air Pacific	2
Great Wall Airlines	4

FMP Fleet Size: 123 Aircraft in 5 Years



Major Events

Signing of Clark Joint Venture

Signed JV Agreement with Cebu Pacific Air to set up heavy maintenance facility at Clark International Airport, the Philippines



Best Asia Pacific Airline MRO Award

Awarded by the international publication, AVIATION WEEK



Most Transparent Company Award

Awarded by the Securities Investors Association (Singapore)





Outlook

- ◆ Global financial and economic conditions are impacting airlines, which affects the MRO industry
- ◆ Continue to exercise tight cost control and improve productivity
- ◆ 22 subsidiary, JV and associated companies continue to contribute to Group profitability
- ◆ Committed to strengthening presence in Singapore and beyond to enhance international competitiveness





Thank You

