SIA ENGINEERING COMPANY



Q2 FY2009/10 Performance Review

Another World First by SIAEC:

Completion of the first A380 24-month check on 23 Sep 2009

FINANCIAL REVIEW



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Summary of Group Results — Quarter 1 & 2

	1	HFY091	.0			
	1Q	2Q	Total	1	Variance)
	\$M	\$M	\$M		%	
Revenue	244.2	248.1	492.3	+	1.6	-
Expenditure	231.9	213.0	444.9	-	8.2	
Operating profit	12.3	35.1	47.4	+	185.4	-
Share of JV & Assoc Cos Profits	35.6	32.0	67.6	•	10.1	
Profit before tax	52.0	71.3	123.3	+	37.1	
Net profit	45.1	61.1	106.2	+	35.5	
Net profit margin (%)	18.5	24.6	21.6	+	6.1	pts

Summary of 2QFY0910 Group Results

	2QFY0910 \$M	2QFY0809 \$M	V	ariance %
Revenue	248.1	279.3	-	11.2
Expenditure	213.0	239.2	-	11.0
Operating profit	35.1	40.1	•	12.5
Share of JV & Assoc Cos Profits	32.0	39.7	•	19.4
Profit before tax	71.3	84.2	•	15.3
Net profit	61.1	73.4	-	16.8
Net profit margin (%)	24.6	26.3	-	1.7 pts

Summary of Group Results

	1HFY0910 \$M	1HFY0809 \$M	V	ariand %	e
Revenue	492.3	529.5	-	7.0	-
Expenditure	444.9	473.0	-	5.9	
Operating profit	47.4	56.5	-	16.1	_
Share of JV & Assoc Cos Profits	67.6	83.3	-	18.8	
Profit before tax	123.3	149.8	-	17.7	
Net profit	106.2	132.1	-	19.6	
Net profit margin (%)	21.6	24.9	-	3.3	p

Group Revenue By Segment

	1Q \$M	2Q \$M	1HFY0910 \$M	1HFY0809 \$M	١	/ariance %
Airframe & Component Overhaul Services	121.3	120.5	241.8	290.4	•	16.7
Line Maintenance & Technical Ground Handling	98.0	98.7	196.7	179.8	+	9.4
Fleet Management	24.9	28.9	53.8	59.3	•	9.3
	244.2	248.1	492.3	529.5	•	7.0

Group Expenditure

	1HFY0910 \$M	1HFY0809 \$M	Variance %
Staff costs	202.5	226.3	- 10.5
Materials	108.3	111.0	- 2.4
Overheads	134.1	135.7	- 1.2
Expenditure	444.9	473.0	- 5.9

Key Contributors to Profit

	1HFY0910 \$M	1HFY0809 \$M	Variance %
Operating Divisions			
Airframe & Component Overhaul	1.4	24.1	- 94.2
Line Maintenance	45.3	32.1	+ 41.1
Fleet Management	0.7	0.3	+ 133.3
JV & Associated Cos			
Engine Overhaul Centres	41.4	51.0	- 18.8
Others	26.2	32.3	- 18.9
Non-operating	8.3	10.0	- 17.0
Profit before taxation	123.3	149.8	- 17.7

SIA vs Non-SIA Revenue

		1HFY091	0
	SIA	Non-SIA	Total
	\$M	\$M	\$M
Subsidiary companies	8.2	11.6	19.8
% of non-SIA work		59%	
Joint venture & associated companies			
- Engine Overhaul Centres	107.4	435.9	543.3
- Others	7.4	149.5	156.9
	114.8	585.4	700.2
		84%	
SIA Engineering (SIAEC)	307.8	155.3	463.1
% of non-SIA work		34%	
Combined Group revenue	430.8	752.3	1,183.1
% of non-SIA work		64%	

Financial Statistics

	As at Sept 09	As at Mar 09	Va	riance %
Shareholders' equity (\$M) Net asset value per share (cents)	1,185.2 109.8	1,228.9 114.0	-	3.6 3.7
Cash position (Grp) (\$M) Borrowings (\$M)	302.2	372.5 -	-	18.9 -

	1HFY0910	1HFY0809	Variance	_
EPS (cents)	9.8	12.3	- 20.3	%
Return on average shareholders' funds (%) *(MAA)	20.4	22.0	- 1.6	pts

^{*}MAA denotes moving annual average



OPERATIONS REVIEW



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Line Maintenance



H1 FY09/10

H1 FY08/09

Flights Handled

50,760

49,181

+3.2%

10 New/Renewed Contracts









Bass Aero



PT Cardig Air











Airframe Maintenance



	H1 FY09/10	H1 FY08/09
A checks	152	179
C checks	48	60
D checks	8	12

9 New Contracts Signed













Ongoing 3rd Party Contracts



















D cargolux MandalaAirlines 🌸







Geographical Expansion



June 2009 Bahrain operations started

SIAEC becomes MRO service provider of Gulf Air Airbus fleet



Sep 2009 Clark operations started

First overseas heavy maintenance base

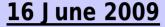
Strategic Relationships

17 Apr 09

Gulf Air FMP contract

Contract covers additional aircraft and scope of services for Gulf Air fleet

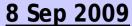
Total value of contracts with Gulf Air: US\$135M



Joint Venture with Safran

J V Agreement with leading French OEM on avionics component overhaul

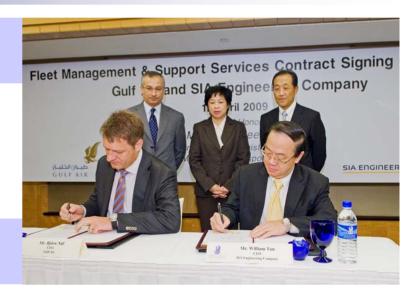
SIAEC Group expands to 24 J Vs in 9 countries



Signed contract with Panasonic

10-year contract with leading In-flight Entertainment (IFE) OEM

Extends IFE maintenance to entire SIA fleet









Awards

Oct 2009

Singapore Most-Admired Companies

The Wall Street Journal Asia



Oct 2009

Singapore Corporate Governance Award (Merit)

Securities Investors Association (Singapore)

May 2009

Gold Standards: Industry Excellence & Safety Leadership

Association of Aerospace Industries (Singapore)

Feb 2009
Silver AdAdward
Air Transport World







Outlook

- Airline industry shows early signs of recovery
- Prospects for sustained recovery remain uncertain
- To broaden revenue base, efforts to extend market reach and increase product mix will continue
- Press on with efforts to manage costs, optimise manpower deployment and improve productivity
- With these measures in place, the Group is well positioned to capitalise on opportunities

Interim Dividend



