

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

	1HFY0910			
	1Q	2Q	Total	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	2QFY0809	Variance
	\$M	\$M	%
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	1HFY0809	Variance	
	\$M	\$M	%	
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 pts



Group Revenue By Segment

	1Q	2Q	1HFY0910	1HFY0809	Variance
	\$M	\$M	\$M	\$M	%
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	1HFY0809	Variance
	\$M	\$M	%
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

	1HFY0910		
	SIA \$M	Non-SIA \$M	Total \$M
Subsidiary companies	8.2	11.6	19.8
<i>% of non-SIA work</i>		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
<i>% of non-SIA work</i>		34%	
Combined Group revenue	430.8	752.3	1,183.1
<i>% of non-SIA work</i>		64%	



Financial Statistics

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



	<u>H1 FY09/10</u>	<u>H1 FY08/09</u>	
Flights Handled	50,760	49,181	+3.2%

10 New/Renewed Contracts



Bass Aero



PT Cardig Air



Growing Customer Base



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



Growing Customer Base

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

Extending Market Reach

SIA ENGINEERING COMPANY



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



16 June 2009

Joint Venture with Safran

JV Agreement with leading French OEM on avionics component overhaul

SIAEC Group expands to 24 JVs in 9 countries



8 Sep 2009

Signed contract with Panasonic

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

Extends IFE maintenance to entire SIA fleet

Strengthening Partnerships

SIA ENGINEERING COMPANY



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 AdAward

Air Transport World

International Recognition

SIA ENGINEERING COMPANY



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



		\$M
Tax-Exempt (One-Tier) Interim Dividend:		
Ordinary	5 cents/share	54.0
Payout ratio		50.8%



A large Singapore Airlines Airbus A380 aircraft is shown in a factory setting. The aircraft is white with a dark blue stripe and the word "SINGAPORE" in large blue letters. The tail fin is visible on the right side. The aircraft is surrounded by yellow scaffolding and other industrial equipment. The ceiling of the factory is high and has a complex metal structure with many lights.

Thank You

Another World First

SIA ENGINEERING COMPANY

