

# SIA ENGINEERING COMPANY

## H1 FY2010/11 Performance Review



Global Wingspan

# Summary of Group Results

	1H FY1011	1H FY0910	Variance	
	\$M	\$M		%
Revenue	565.4	492.3	+	14.8
Expenditure	494.8	444.9	+	11.2
Operating profit	70.6	47.4	+	48.9
Share of JV & Assoc Cos Profits	77.0	67.6	+	13.9
Profit before tax	158.5	123.3	+	28.5
Net profit	137.3	106.2	+	29.3
Net profit margin (%)	24.3	21.6	+	2.7 pts



# Summary of 2Q FY1011 Group Results

	2Q FY1011 \$M	2Q FY0910 \$M	Variance	
				%
Revenue	277.1	248.1	+	11.7
Expenditure	242.7	213.0	+	13.9
Operating profit	34.4	35.1	-	2.0
Share of JV & Assoc Cos Profits	37.8	32.0	+	18.1
Profit before tax	76.0	71.3	+	6.6
Net profit	66.5	61.1	+	8.8
Net profit margin (%)	24.0	24.6	-	0.6 pts



# Breakdown of Group Revenue

	1Q	2Q	1H FY1011	1H FY0910	Variance
	\$M	\$M	\$M	\$M	%
Airframe & Component Overhaul	147.4	139.8	287.2	241.8	+ 18.8
Fleet Management	40.6	41.4	82.0	53.8	+ 52.4
Repair & Overhaul	188.0	181.2	369.2	295.6	+ 24.9
Line Maintenance	100.3	95.9	196.2	196.7	- 0.2
	288.3	277.1	565.4	492.3	+ 14.8



# Group Expenditure

	<b>1H FY1011</b>	<b>1H FY0910</b>	<b>Variance</b>	
	<b>\$M</b>	<b>\$M</b>		<b>%</b>
<b>Staff costs</b>	<b>222.6</b>	<b>202.5</b>	<b>+</b>	<b>9.9</b>
<b>Materials</b>	<b>122.9</b>	<b>108.3</b>	<b>+</b>	<b>13.5</b>
<b>Overheads</b>	<b>149.3</b>	<b>134.1</b>	<b>+</b>	<b>11.3</b>
<b>Expenditure</b>	<b>494.8</b>	<b>444.9</b>	<b>+</b>	<b>11.2</b>

# Profit Contribution

	1H FY1011 \$M	1H FY0910 \$M		Variance %
<b><u>Operating Segments</u></b>				
Repair & Overhaul	26.8	2.1		N.M.
Line Maintenance	43.8	45.3	-	3.3
	70.6	47.4	+	48.9
<b><u>JVs and Associated Cos</u></b>				
<b>Engine &amp; Component</b>				
Overhaul	55.7	41.4	+	34.5
Others	21.3	26.2	-	18.7
	77.0	67.6	+	13.9



# SIA vs Non-SIA Revenue

	1H FY1011		Total \$M
	SIA \$M	Non-SIA \$M	
<b>SIA Engineering (SIAEC)</b>	<b>343.8</b>	<b>189.7</b>	<b>533.5</b>
<i>% of non-SIA work</i>		<b>36%</b>	
<b>Subsidiary Companies</b>	<b>21.8</b>	<b>26.2</b>	<b>48.0</b>
<i>% of non-SIA work</i>		<b>55%</b>	
<b>JV &amp; Associated Companies</b>			
- Engine Overhaul Centres	194.2	1,019.7	1,213.9
- Others	49.5	242.8	292.3
	<b>243.7</b>	<b>1,262.5</b>	<b>1,506.2</b>
<i>% of non-SIA work</i>		<b>84%</b>	
<b>Combined Group revenue</b>	<b>609.3</b>	<b>1,478.4</b>	<b>2,087.7</b>
<i>% of non-SIA work</i>		<b>71%</b>	



# Financial Statistics

	As at Sept 10	As at Mar 10	Variance %	
<b>Shareholders' equity (\$M)</b>	<b>1,253.4</b>	<b>1,264.8</b>	-	<b>0.9</b>
<b>Net asset value per share (cents)</b>	<b>115.2</b>	<b>117.0</b>	-	<b>1.5</b>
<b>Cash position (Grp) (\$M)</b>	<b>406.7</b>	<b>425.8</b>	-	<b>4.5</b>
	1H FY1011	1H FY0910	Variance	
<b>EPS (cents)</b>	<b>12.7</b>	<b>9.8</b>	+	<b>29.6 %</b>
<b>Return on average shareholders' funds (%)</b>	<b>21.9</b>	<b>20.4</b>	+	<b>1.5 pts</b>





# Interim Dividend

---

## Interim Dividend (Tax Exempt One-Tier)

(in cents per share)

**Ordinary**

**6.0**

# H1 FY2010/11 Performance Review

## *OPERATIONAL REVIEW*

SIA ENGINEERING COMPANY 



Global Wingspan



# Line Maintenance

Flights Handled at Changi

H1 FY10/11

54,546

H1 FY09/10

50,760

7.5%



4 New Contracts



海南航空  
HAINAN AIRLINES



**Biman**  
BANGLADESH AIRLINES



mandala



7 Renewed Contracts



**NCA**  
Nippon Cargo Airlines



cargolux



**KOREAN AIR**



ASIANA AIRLINES

Growing Customer Base



# Airframe & Component Services



	H1 FY10/11	H1 FY09/10
A checks	224	205
C checks	62	48
D checks	10	8

## 5 New Contracts



## 8 Renewed Contracts



# Expanding Global Footprint

- 21 line stations in 6 countries with an annual revenue of S\$52M;
- Handle more than 550 flights for more than 60 airlines round-the-clock daily

**September 2010**

**Clark, Philippines**

- Commencement of Line Maintenance Operations



**October 2010**

**Ho Chi Minh, Vietnam**

- Commencement of Line Maintenance Operations



# Expanding Strategic Relationships

**Apr 2010**

## **Renewed Services Agreement with SIA**

3+2 year contract, valued at \$2.2 billion, covers fleet management & a broad spectrum of MRO services.

**May 2010**

## **Signed contract with Royal Brunei Airlines**

\$42 million FMP contract covers maintenance & fleet management services for six B777-200ER aircraft.

**Sep 2010**

## **Signed A340-500 contract with Airbus**

6-year contract covers fleet management, heavy & light checks, line maintenance, defect rectification & cabin maintenance.

**SINGAPORE AIRLINES** 

 **ROYAL BRUNEI**

 **AIRBUS**  
AN EADS COMPANY

# Outlook



- Given the strong performance in the first half, the Group's performance in the second half is expected to moderate.
- The Group will continue to strengthen competitiveness through new service offerings & strategic collaborations to take advantage of long-term growth in the aviation industry.



# ***SIA ENGINEERING COMPANY***

## **H1 FY2010/11 Performance Review**



Global Wingspan