



SIA ENGINEERING COMPANY

FY2007/08 Performance Review
7 May 2008





FINANCIAL REVIEW

Summary of Group Results

	FY07/08 \$M	FY06/07 \$M	Variance %
Revenue	1,009.6	977.4	+ 3.3
Expenditure	906.7	875.4	+ 3.6
Operating profit	102.9	102.0	+ 0.9
Share of JV & Assoc Cos Profits	157.8	139.5	+ 13.1
Profit before tax	285.5	271.0	+ 5.4
Net profit	253.8	242.1	+ 4.8
Net profit margin (%)	25.1	24.8	+ 0.3 pts



Group Revenue By Segment

	FY07/08	FY06/07	Variance
	\$M	\$M	%
Airframe & Component Overhaul	603.1	591.8	+ 1.9
Line Maintenance	335.4	309.5	+ 8.4
Fleet Management	71.1	76.1	- 6.6
	1,009.6	977.4	+ 3.3



SIA vs Non-SIA Revenue

	SIA \$M	Non-SIA \$M	Total \$M
SIAEC	696.8	270.4	967.2
<i>% of non-SIA work</i>		28%	
Subsidiary Cos	38.1	19.3	57.4
<i>% of non-SIA work</i>		34%	
JV & Associated Cos			
- Engine Overhaul Centres	591.4	1,402.4	1,993.8
- Others	36.2	573.9	610.1
	627.6	1,976.3	2,603.9
<i>% of non-SIA work</i>		76%	
Combined revenue	1,362.5	2,266.0	3,628.5
<i>% of non-SIA work</i>		62%	



Group Expenditure

	FY07/08 \$M	FY06/07 \$M	Variance %
Staff costs	440.0	418.2	+ 5.2
Materials	235.6	234.9	+ 0.3
Subcontract costs	82.3	84.0	- 2.0
Overheads	148.8	138.3	+ 7.6
Expenditure	906.7	875.4	+ 3.6

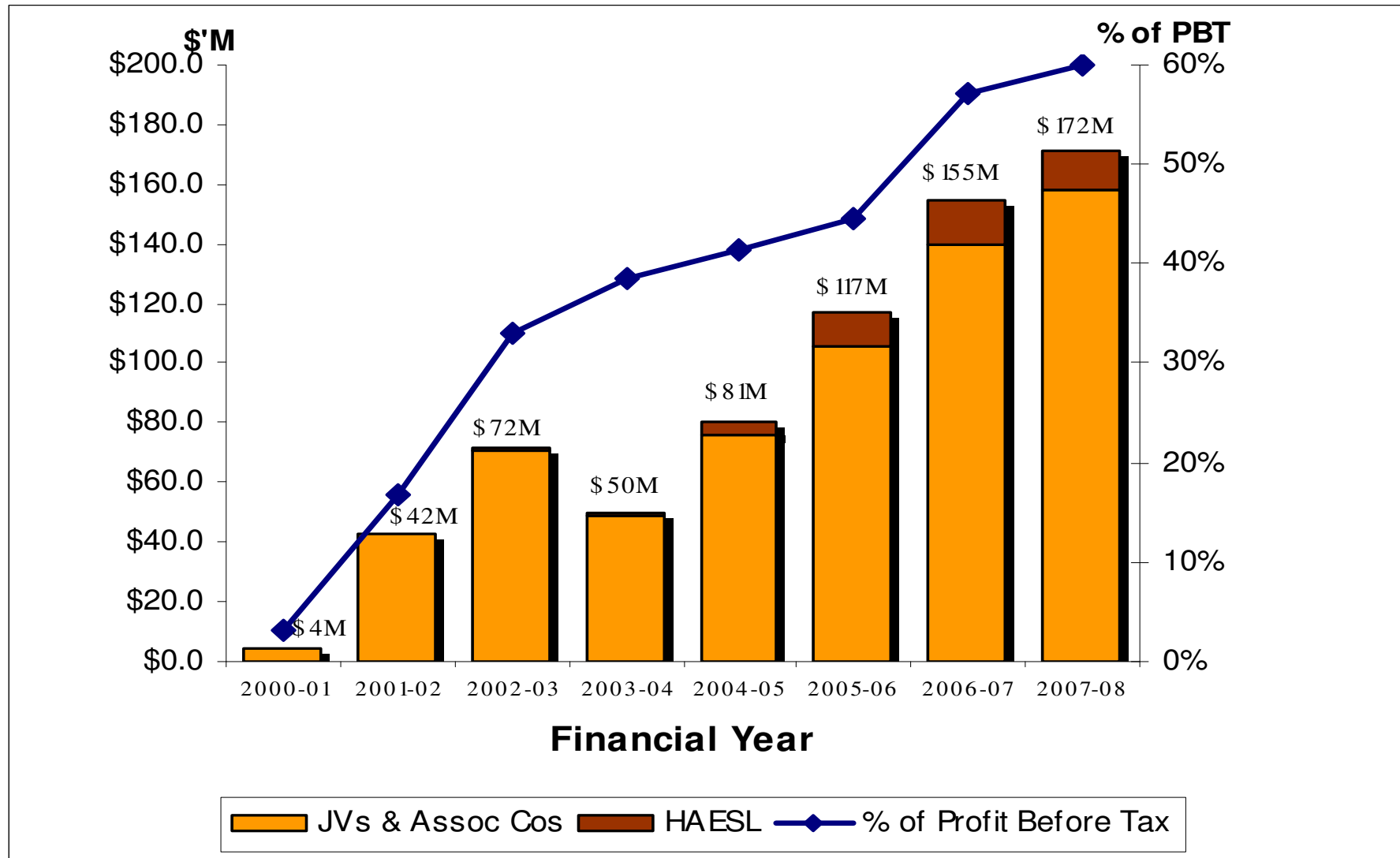


Profit Attribution

	FY07/08 \$M	FY06/07 \$M	Variance %
<u>Operating Segments</u>			
Airframe & Component Overhaul	50.0	43.9	+ 13.8
Line Maintenance	42.4	37.1	+ 14.3
Fleet Management	10.5	21.0	- 50.0
	102.9	102.0	+ 0.9
<u>JVs and Associated Cos</u>			
Engine Overhaul	90.2	78.8	+ 14.5
Others	67.6	60.7	+ 11.4
	157.8	139.5	+ 13.1



Profit Contribution to SIAEC Group Profit



* Includes dividends from HAESL



Financial Statistics

	As at Mar 08	As at Mar 07	Variance %
Shareholders' equity (\$M)	1,125.3	997.1	+ 12.9
Net asset value per share (cents)	104.7	93.9	+ 11.5
Cash position (Grp) (\$M)	437.3	400.3	+ 9.2
	FY07/08	FY06/07	
EPS (cents)	23.7	23.0	+ 3.0 %
Return on average shareholders' funds (%)	23.9	23.8	+ 0.1 pts

Summary of 4Q FY07/08 Group Results

	4Q FY07/08 \$M	4Q FY06/07 \$M	Variance %
Revenue	225.1	238.7	- 5.7
Expenditure	204.6	231.0	- 11.4
Operating profit	20.5	7.7	+166.2
Share of JV & Assoc Cos Profits	36.8	39.7	- 7.3
Profit before tax	63.8	52.6	+ 21.3
Net profit	55.2	48.4	+ 14.0
Net profit margin (%)	24.5	20.3	+ 4.2 pts



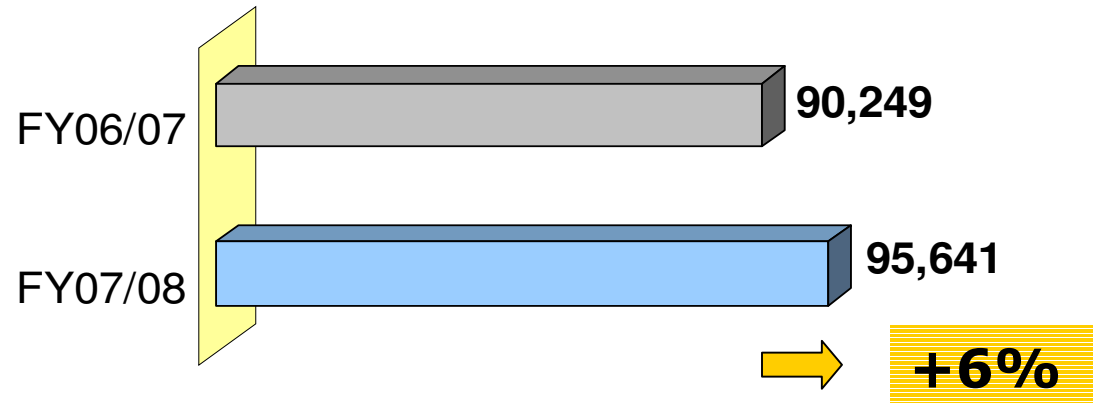


OPERATIONS REVIEW



Line Maintenance

Flights handled:



21 new contracts (new customers & services):



Secured 5 out of the 6 airlines that inaugurated services to Singapore

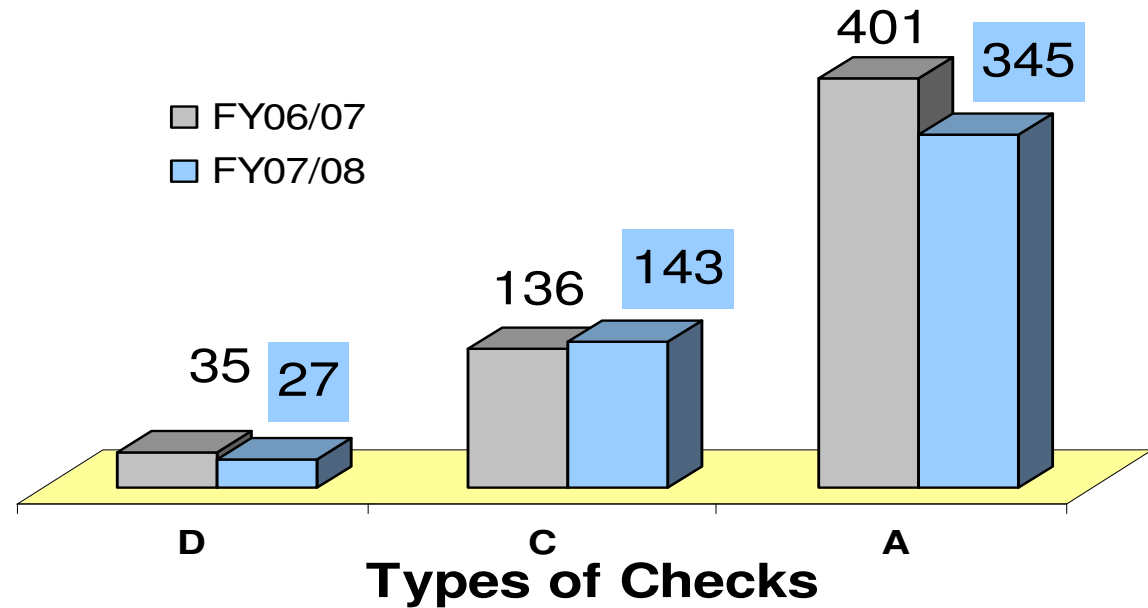
Operations Review

SIA ENGINEERING COMPANY





Airframe Maintenance



*Book orders: 16 new/renewed contracts worth **S\$311.6M***



Operations Review

SIA ENGINEERING COMPANY





Component Overhaul

No. of Components Serviced

FY06/07
125,371

FY07/08
124,896



Fleet Management

109 aircraft under FMP contracts,
57 in service as at 31 March 2008:

A319/A320 fleet

SilkAir	14
Tiger Airways	12
Cebu Pacific	16
Go Air	4
Mandala	6

B747-400 fleet

Air Pacific	2
Great Wall Airlines	3

Signed \$116M contract with Cebu Pacific

***Signed \$90M contract with V Australia
-- first entry into B777 FMP market***

Events/ Highlights

EXPANSION

AUSTRALIA (Aug 07)

100% acquisition of Aircraft Maintenance Services Australia Pty Ltd (AMSA)

VIETNAM (Nov 07)

Signed MOU with Saigon Ground Services (SAGS), to form a line maintenance joint venture at Tan Son Nhat International Airport in Ho Chi Minh City

PHILIPPINES (Apr 08)

Signed joint venture agreement with Cebu Pacific Air to set up an aircraft heavy maintenance facility at Clark International Airport

New Facilities - GASCA & SAESL (Feb 07)

GASCA: Opening of 27,870sqm facility
SAESL: Groundbreaking of 12,000sqm facility



Events/ Highlights

NEW PRODUCTS

FIRST TO MAINTAIN A380

- SIA's first 3 A380s

MAINTENANCE OF B777-300ER

- EIS & 'A' checks for SIA

MAINTENANCE OF A330-300

- Northwest, Air Canada & Air Comet

VIP CABIN RECONFIGURATION

- Dubai Air Wing





Outlook

- ◆ **Expected to remain favourable**
- ◆ **A380-capable Hangar 6 ready in second half of FY2008/09**
- ◆ **Clark will provide additional capacity beyond Singapore when it becomes operational in FY2009/10**
- ◆ **Associates/ JVs to continue strong contributions**
- ◆ **Global economic uncertainties, weakening US dollar, exert pressure on rates and margins**



Proposed Final Dividend

	FY07/08		FY06/07
<u>Tax Exempt (One-Tier) Final Dividend</u>			
Ordinary (cents per share)	16.0		8.0
Dividend Payment (\$M)	171.9		85.0
Gross dividend yield (%)	5.1	*	2.6
Payout ratio (%)	84.6	*	52.6

* Inclusive of tax-exempt (one-tier) interim dividend of 4 cents/share (\$42.9M) paid on 28 November 2007.





Thank You