



# SIA ENGINEERING COMPANY

## FY2010/11 Performance Review – Financial Review

# Summary of Group Results

	<b>FY1011</b>	<b>FY0910</b>	<b>Variance</b>
	<b>\$M</b>	<b>\$M</b>	<b>%</b>
<b>Revenue</b>	<b>1,106.9</b>	<b>1,006.4</b>	<b>+ 10.0</b>
<b>Expenditure</b>	<b>971.2</b>	<b>896.0</b>	<b>+ 8.4</b>
<b>Operating profit</b>	<b>135.7</b>	<b>110.4</b>	<b>+ 22.9</b>
<b>Share of JV &amp; Assoc Cos' Profits</b>	<b>144.4</b>	<b>129.7</b>	<b>+ 11.3</b>
<b>Profit before tax</b>	<b>296.1</b>	<b>262.6</b>	<b>+ 12.8</b>
<b>Net profit</b>	<b>258.5</b>	<b>236.1</b>	<b>+ 9.5</b>
<b>Net profit margin (%)</b>	<b>23.4</b>	<b>23.5</b>	<b>- 0.1 pts</b>

# Breakdown of Group Revenue

	<b>FY1011</b>	<b>FY0910</b>	<b>Variance</b>
	<b>\$M</b>	<b>\$M</b>	<b>%</b>
<b>Airframe &amp; Component Overhaul</b>	<b>542.5</b>	<b>500.8</b>	<b>+ 8.3</b>
<b>Fleet Management</b>	<b>163.8</b>	<b>128.6</b>	<b>+ 27.4</b>
<b>Repair &amp; Overhaul</b>	<b>706.3</b>	<b>629.4</b>	<b>+ 12.2</b>
<b>Line Maintenance</b>	<b>400.6</b>	<b>377.0</b>	<b>+ 6.3</b>
	<b>1,106.9</b>	<b>1,006.4</b>	<b>+ 10.0</b>

# Group Expenditure

	<b>FY1011 \$M</b>	<b>FY0910 \$M</b>	<b>Variance %</b>
<b>Staff costs</b>	<b>452.9</b>	<b>413.5</b>	<b>+ 9.5</b>
<b>Materials</b>	<b>223.9</b>	<b>220.4</b>	<b>+ 1.6</b>
<b>Subcontract costs</b>	<b>126.8</b>	<b>93.3</b>	<b>+ 35.9</b>
<b>Overheads</b>	<b>167.6</b>	<b>168.8</b>	<b>- 0.7</b>
<b>Expenditure</b>	<b>971.2</b>	<b>896.0</b>	<b>+ 8.4</b>

# Profit Contribution

	<b>FY1011 \$M</b>	<b>FY0910 \$M</b>	<b>Variance %</b>
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<b><u>Operating Segments</u></b>			
Repair & Overhaul	<b>41.2</b>	<b>31.5</b>	<b>+ 30.8</b>
Line Maintenance	<b>94.5</b>	<b>78.9</b>	<b>+ 19.8</b>
	<b>135.7</b>	<b>110.4</b>	<b>+ 22.9</b>
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<b><u>JVs and Associated Cos</u></b>			
Engine Overhaul and Component	<b>130.6</b>	<b>106.7</b>	<b>+ 22.4</b>
Others	<b>13.8</b>	<b>23.0</b>	<b>- 40.0</b>
	<b>144.4</b>	<b>129.7</b>	<b>+ 11.3</b>
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# SIA vs Non-SIA Revenue

	<b>SIA \$M</b>	<b>Non-SIA \$M</b>	<b>Total \$M</b>
<b>SIAEC</b>	<b>629.7</b>	<b>413.8</b>	<b>1,043.5</b>
<i>% of non-SIA work</i>		<b>40%</b>	
<b>Subsidiary Cos</b>	<b>44.8</b>	<b>52.8</b>	<b>97.6</b>
<i>% of non-SIA work</i>		<b>54%</b>	
<b>JV &amp; Associated Cos</b>			
- Engine Overhaul and Component	240.8	2,405.9	2,646.7
- Others	41.1	243.2	284.3
	<b>281.9</b>	<b>2,649.1</b>	<b>2,931.0</b>
<i>% of non-SIA work</i>		<b>90%</b>	
<b>Combined revenue</b>	<b>956.4</b>	<b>3,115.7</b>	<b>4,072.1</b>
<i>% of non-SIA work</i>		<b>77%</b>	

# 4Q FY10/11 Group Results

	<b>4Q FY1011</b>	<b>4Q FY0910</b>	<b>Variance</b>	
	<b>\$M</b>	<b>\$M</b>		<b>%</b>
<b>Revenue</b>	<b>272.0</b>	<b>272.6</b>	-	<b>0.2</b>
<b>Expenditure</b>	<b>241.4</b>	<b>231.4</b>	+	<b>4.3</b>
<b>Operating profit</b>	<b>30.6</b>	<b>41.2</b>	-	<b>25.7</b>
<b>Surplus on disposal of fixed assets</b>	<b>0.9</b>	<b>6.1</b>	-	<b>85.2</b>
<b>Share of JV &amp; Assoc Cos' Profits</b>	<b>33.5</b>	<b>28.4</b>	+	<b>18.0</b>
<b>Profit before tax</b>	<b>67.9</b>	<b>78.7</b>	-	<b>13.7</b>
<b>Provision for tax</b>	<b>6.5</b>	<b>3.9</b>	+	<b>66.7</b>
<b>Net profit</b>	<b>60.9</b>	<b>73.9</b>	-	<b>17.6</b>
<b>Net profit margin (%)</b>	<b>22.4</b>	<b>27.1</b>	-	<b>4.7 pts</b>

# Financial Statistics

	<b>As at Mar 11</b>	<b>As at Mar 10</b>	<b>Variance %</b>
<b>Shareholders' equity (\$M)</b>	<b>1,302.7</b>	<b>1,264.8</b>	<b>+ 3.0</b>
<b>Net asset value per share (cents)</b>	<b>119.4</b>	<b>117.0</b>	<b>+ 2.1</b>
<b>Cash position (Grp) (\$M)</b>	<b>581.4</b>	<b>425.8</b>	<b>+ 36.5</b>
	<b>FY1011</b>	<b>FY0910</b>	
<b>EPS (cents)</b>	<b>23.8</b>	<b>21.9</b>	<b>+ 8.6 %</b>
<b>Return on average shareholders' funds (%)</b>	<b>20.1</b>	<b>18.9</b>	<b>+ 1.2 pts</b>





## Operations Review

# Line Maintenance

**+6.6%** 

Flights handled at  
Changi Airport

FY10/11

110,217

FY09/10

103,360

## 12 New Contracts



HONGKONG AIRLINES  
香港航空



深圳航空  
Shenzhen Airlines



EAGLE SERVICES ASIA



airphil express



Biman  
BANGLADESH AIRLINES



SOUTH EAST ASIAN  
AIRLINES



Air Méditerranée



BERJAYA  
BERJAYA AIR  
www.Berjaya-Air.com



mandala



海南航空  
HAINAN AIRLINES

## 10 Renewed Contracts



cargolux

KOREAN AIR



ROYAL BRUNEI

ASIANA AIRLINES



# Aircraft & Component Services



	<u>FY10/11</u>	<u>FY09/10</u>
'A' checks*	457	452
'C' checks	113	91
'D' checks	21	19

\* Performed in Singapore & Bahrain

## 15 New Contracts



## STRATEGIC COLLABORATIONS

**Nov 2010**

### **J V with Panasonic Avionics Corp**

- State-of-the-art facility in Singapore will meet growing demand for In-flight Entertainment Equipment MRO services

**Nov 2010**

### **Launch of 6<sup>th</sup> overseas line maint J V**

- Vietnam J V starts with strong base load of 9 airline customers

**Apr 2011**

### **Launch of SAFRAN J V**

- World-leading avionics OEM, SAFRAN, opens its first avionics Centre of Excellence in Asia



## STRATEGIC CUSTOMERS

**Oct 2010**

**Airbus: A340 fleet management**

- 6-year contract for 5 SIA A340-500 aircraft

**Dec 2010**

**SilkAir: A319/320 fleet management**

- \$500 million in contract value
- 5-year contract covers SilkAir's fleet

**May 2010**

**Royal Brunei: B777 fleet management**

- Contract covers 6 B777-200ER aircraft



# Proposed Final Dividend

	<b>FY1011</b>	<b>FY0910</b>
<b><u>Final Dividend</u></b> <b><u>(in cents per share)</u></b>		
<b>Ordinary</b>	<b>14.0</b>	<b>13.0</b>
<b>Special</b>	<b>10.0</b>	<b>-</b>
<b>Total Dividend</b>	<b>30.0*</b>	<b>18.0</b>
<b>Dividend Yield**</b>	<b>7.4%</b>	<b>5.1%</b>

\* Inclusive of interim dividend of 6 cents per share paid on 1 December 2010.

\*\* Based on share price as of 31 March 2011

- In the near term, demand for our core businesses is expected to be sustained.
- JV business volumes expected to grow, reflecting recovery of engine and component business.
- Prevailing economic environment, including weak US\$, continues to pose challenges.
- Efforts to improve productivity & manage costs continue.
- Broad range of services, diversified operations & continuing drive to deliver outstanding quality remain our key strengths.



**Thank you**