



SIA Engineering Company

FY06/07 Analyst Briefing

14 May 2007



Financial Review

Summary of Group Results

	FY 06/07 \$M	FY 05/06 \$M	Variance %	
Revenue	977.4	959.1	+	1.9
Expenditure	875.4	824.4	+	6.2
Operating profit	102.0	134.7	-	24.3
Share of associate and JV profits	139.5	105.6	+	32.1
Profit before tax	271.0	263.3	+	2.9
Net profit	242.1	230.6	+	5.0
Net profit margin (%)	24.8	24.0	+	0.8 pts

Factors Affecting Operating Profit

	\$M
Operating profit	102.0
Factors affecting operating profit:	
- Profit-sharing bonus	29.1
- Weaker USD	7.8
- Stock option expensing	6.0
Change in operating profit excluding the above factors	144.9
Change over last FY	+7.6

Group Revenue Composition

	FY 06/07 \$M	FY 05/06 \$M	Variance %	
Labour revenue	654.3	664.0	-	1.5
Material revenue	225.3	226.3	-	0.4
Fleet Management	76.1	45.9	+	65.8
Others	22.6	22.9	-	1.3
Revenue	978.3	959.1	+	2.0
% of non-SIA work	29.4	24.9	+	4.5 pts

Growth of Revenue by JVs

	SIA \$M	Non-SIA \$M	Total \$M
Subsidiary, joint venture & associate companies <i>% of non-SIA work</i>	702.6	1,729.4 71.1%	2,432.0
SIA Engineering (SIAEC) <i>% of non-SIA work</i>	668.5	277.6 29.3%	946.1
Combined Group revenue <i>% of non-SIA work</i>	1,371.1	2,007.0 59.4%	3,378.1

Our Joint Ventures

Profit Contributions from JVs

	FY 06/07 \$M	FY 05/06 \$M	Variance	
			\$M	%
Engine Overhaul Centres (ESA & SAESL)	78.8	57.1	+ 21.7	+ 38.0
Others	60.7	48.5	+ 12.2	+ 25.2
Total	139.5	105.6	+ 33.9	+ 32.1

Group Expenditure

	FY 06/07 \$M	FY 05/06 \$M	Variance %	
Staff costs	418.2	380.1	+	10.0
Materials	234.9	235.7	-	0.3
Overheads	222.3	208.6	+	6.6
Expenditure	875.4	824.4	+	6.2

Financial Statistics

	As at Mar 07	As at Mar 06	Variance %		
Shareholders' equity (\$M)	997.1	1,038.8	-	4.0	
Net asset value per share (cents)	93.9	100.2	-	6.3	
Cash position (Grp) (\$M)	400.3	500.6	-	20.0	
	Mar 07	Mar 06			
EPS (cents)	23.0	22.5	+	2.3	%
Return on average shareholders' funds (%)	23.8	24.3	-	0.5	pts

FY06/07

Proposed Final Dividend

		\$M
Tax-Exempt (One-Tier) Final Dividend:		
Ordinary	8 cents/share	85.0
Gross dividend yield *		2.6%
Payout ratio		52.6%

* based on share price of \$4.70 as at 30 March 2007 and inclusive of tax-exempt interim dividend of 4 cents/share (\$42.3M) paid on 22 November 2006



Operations Review

Line Maintenance



No. of Flights Handled



 +5%

Line Maintenance



**Signed 9 new contracts
\$5.5 M annual revenue**

- Shanghai Air Cargo
- Cebu Pacific
- Air-India Express
- K-Mile air
- Jetstar International
- Cathay
- Mandala
- Air Bagan
- Air Hong Kong

**New
airlines
@Changi**

**Renewed 9 contracts
\$11 M annual revenue**

Airframe & Component Overhaul

<u>Checks</u>	<u>FY06/07</u>	<u>FY05/06</u>
A	401	388
C	136	126
D	35	47
	<hr/>	<hr/>
	572	561

**14 new contracts
\$85 million**

NCA Nippon
Cargo
Airlines

QANTAS



AAR



CRANE AIRCRAFT
PARTNERS, LLC



OASISHONGKONG



خطوط الجوية العربية السعودية
SAUDI ARABIAN AIRLINE



Garuda Indonesia



Airframe & Component Overhaul



**10 contracts
renewed
\$47 million**

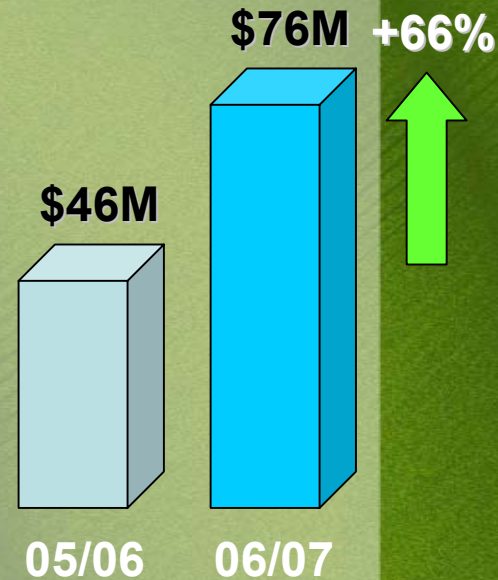


Fleet Management Programme

**2 new contracts
\$255 million (2-7 years)**



FMP Revenue



Mandala Airlines 

**Fleet size @31 Mar 07
52 aircraft from 8 airlines**

 **Great Wall Airlines**
长城航空

 **CEBU PACIFIC**
 **DRAGONAIR**

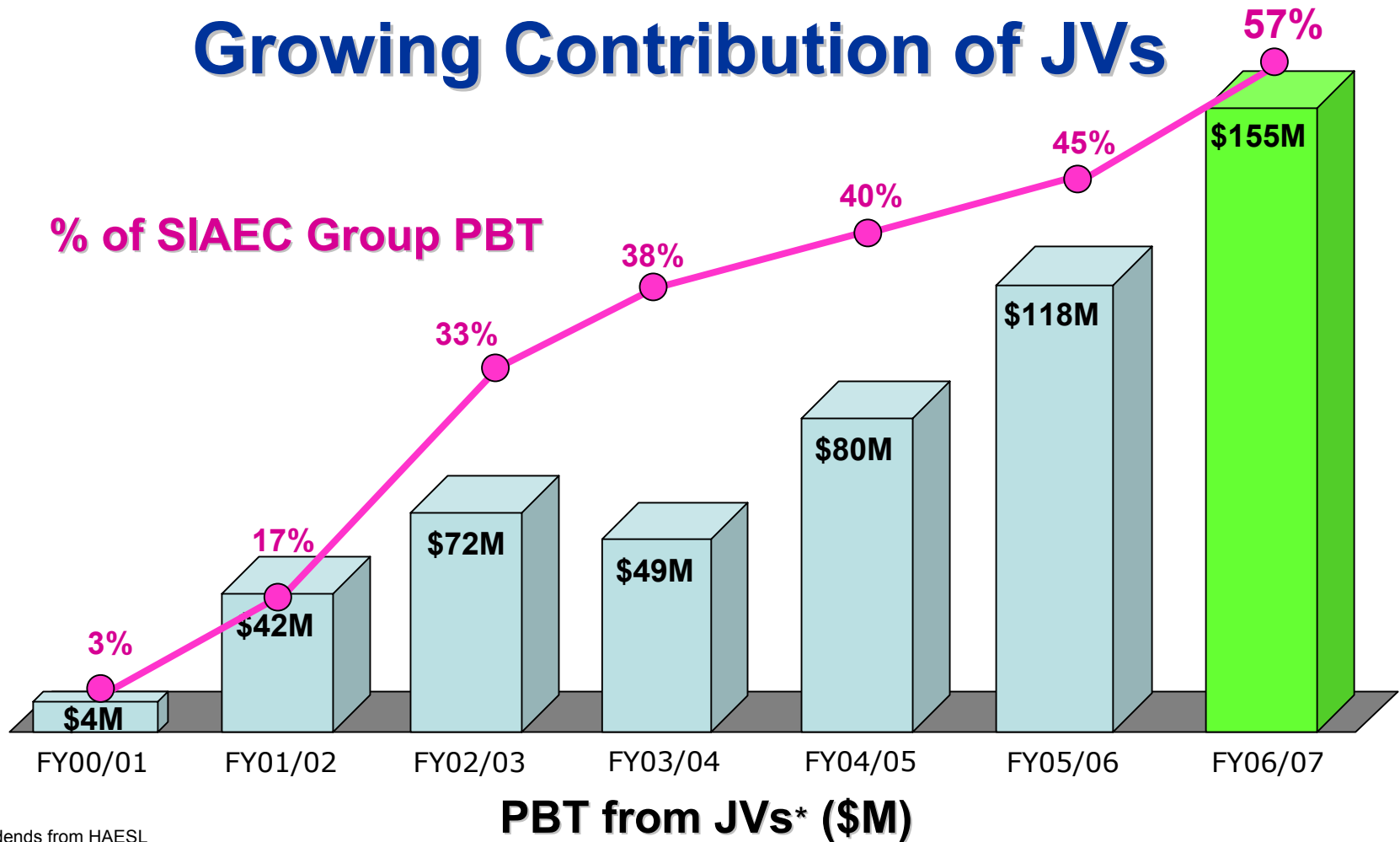
 **tiger**
airways.com

 **SILKAIR**

 **AIR**
PACIFIC

 **GO**

Growing Contribution of JVs



* Includes dividends from HAESL

Singapore



Ireland



Hong Kong



Taiwan



Indonesia



Philippines

Outlook

- **Business prospects remain strong**
- **Core businesses expected to improve due to strong bookings and further productivity improvements**
- **Ongoing strategic initiatives spur growth**
- **Pressure on rates**





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