

SIA ENGINEERING COMPANY

FY2009/10 Performance Review



***SIAEC A380 Hangar
First in the World***

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FINANCIAL REVIEW



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Summary of 4Q FY0910 Group Results

	4Q FY0910 \$M	4Q FY0809 \$M	Variance %
Revenue	272.6	245.8	+ 10.9
Expenditure	231.4	219.1	+ 5.6
Operating profit	41.2	26.7	+ 54.3
Share of JV & Assoc Cos Profits	28.4	47.8	- 40.6
Profit before tax	78.7	76.9	+ 2.3
Net profit	73.9	65.5	+ 12.8
Net profit margin (%)	27.1	26.6	+ 0.5 pts

Summary of Group Results

	FY0910	FY0809	Variance
	\$M	\$M	%
Revenue	1,006.4	1,045.3	- 3.7
Expenditure	896.0	932.7	- 3.9
Operating profit	110.4	112.6	- 2.0
Share of JV & Assoc Cos Profits	129.7	173.0	- 25.0
Profit before tax	262.6	300.7	- 12.7
Net profit	236.1	260.6	- 9.4
Net profit margin (%)	23.5	24.9	- 1.4 pts

Breakdown of Group Revenue

	FY0910	FY0809	Variance
	\$M	\$M	%
Airframe & Component Overhaul	500.8	562.0	- 10.9
Fleet Management	128.6	113.4	+ 13.4
Repair & Overhaul	629.4	675.4	- 6.8
Line Maintenance	377.0	369.9	+ 1.9
	1,006.4	1,045.3	- 3.7

Group Expenditure

	FY0910	FY0809	Variance
	\$M	\$M	%
Staff costs	413.5	429.5	- 3.7
Materials	220.4	229.9	- 4.1
Subcontract costs	93.3	108.6	- 14.1
Overheads	168.8	164.7	+ 2.5
Expenditure	896.0	932.7	- 3.9

Profit Contribution

	FY0910 \$M	FY0809 \$M	Variance %
<u>Operating Segments</u>			
Repair & Overhaul	31.5	35.6	- 11.5
Line Maintenance	78.9	77.0	+ 2.5
	110.4	112.6	- 2.0
<u>JVs and Associated Cos</u>			
Engine Overhaul and Components	107.1	142.5	- 24.8
Others	22.6	30.5	- 25.9
	129.7	173.0	- 25.0

SIA vs Non-SIA Revenue

	SIA \$M	Non-SIA \$M	Total \$M
SIAEC	623.8	322.9	946.7
<i>% of non-SIA work</i>		34%	
Subsidiary Cos	37.2	47.2	84.4
<i>% of non-SIA work</i>		56%	
JV & Associated Cos			
- Engine Overhaul Centres	424.3	1,500.7	1,925.0
- Others	32.0	552.2	584.2
	456.3	2,052.9	2,509.2
<i>% of non-SIA work</i>		82%	
Combined revenue	1,117.3	2,423.0	3,540.3
<i>% of non-SIA work</i>		68%	

Financial Statistics

	As at Mar 10	As at Mar 09	Variance %
Shareholders' equity (\$M)	1,264.8	1,228.9	+ 2.9
Net asset value per share (cents)	117.0	114.0	+ 2.6
Cash position (Grp) (\$M)	425.8	372.5	+ 14.3
	FY0910	FY0809	
EPS (cents)	21.9	24.2	- 9.5 %
Return on average shareholders' funds (%)	18.9	22.1	- 3.2 pts

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OPERATIONAL REVIEW



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Line Maintenance

Flights Handled at Changi

FY09/10
103,360

FY08/09
98,064

 **5.4%**

11 New Contracts



Bass Aero



9 Renewed Contracts



Growing Customer Base

Airframe Maintenance



	FY09/10	FY08/09
A checks	452	315
C checks	91	116
D checks	19	23

8 New 3rd Party Contracts



Ongoing 3rd Party Contracts



Renewed Service Agreement with SIA \$2.2B

Expanding Global Footprint



June 2009

Bahrain

**MRO service provider of
Gulf Air Airbus fleet**



Sep 2009

**Clark,
Philippines**

**First overseas heavy
maintenance base**

Expanding Infrastructure



Feb 2010

A380 Hangar

**First purpose-built
A380 Hangar in the world**



Feb 2010

SAESL expansion

**New 12,000 sqm facility
increases total area to
30,000 sqm**

Expanding Strategic Relationships

17 Apr 09

Gulf Air FMP contract

Total value of contracts with Gulf Air: US\$135M



21 Jan 2010

MOU with Gulf Technics

MRO base in Bahrain to serve airlines in the Middle East, Europe & North Africa

16 June 2009

Joint Venture with Safran

J V with leading French avionics OEM



Expanding Strategic Relationships

18 Jan 10

Investments in P&W Engine

Scaling up the MRO value chain with investments in PW1000G new generation engine



8 Sep 2009

10-year contract with Panasonic

Panasonic Avionics is a leading In-flight Entertainment System OEM

3 Feb 2010

MOU with Panasonic Avionics

Centre of Excellence for Panasonic Avionics in-flight entertainment & communications systems



Outlook



- The Group continues to strengthen its competitiveness by investing in servicing new engine types, strategic joint ventures and infrastructure development.
- Efforts to improve productivity and manage costs continue.
- With the upturn in travel demand and increase in flights at Changi, the business outlook for the Group is favourable



Proposed Final Dividend

	FY0910	FY0809
<u>Final Dividend (Tax Exempt One-Tier)</u>		
<u>(in cents per share)</u>		
Ordinary	13.0	11.0
Total Dividend	18.0	16.0
Gross dividend yield (%)	5.1 *	8.6
Payout ratio (%)	82.4 *	66.2

* Inclusive of tax-exempt one-tier interim dividend of 5 cents/share (\$53.9M) paid on 30 November 2009.

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