

Performance Snapshots

SIA ENGINEERING COMPANY



H1 FY2006/ 07
Analyst Briefing
30 October 2006

FINANCIAL REVIEW



Summary of 1H FY06/07 Group Results

	FY06/07 1H \$M	FY05/06 1H \$M	Variance %
Revenue	492.9	463.5	+ 6.3
Expenditure	425.1	404.1	+ 5.2
Operating profit	67.8	59.4	+ 14.1
Share of associated and JV companies' profits	67.7	52.1	+ 29.9
Profit before tax	154.9	120.4	+ 28.7
Net profit	138.4	105.6	+ 31.1
Net profit margin (%)	28.1	22.8	+ 5.3 pts

1H FY06/07

Group Revenue Composition

	FY06/07 1H \$M	FY05/06 1H \$M	Variance %
Labour revenue	331.2	325.8	+ 1.7
Material revenue	118.8	110.4	+ 7.6
Fleet Management	32.3	15.7	+ 105.7
Others	10.6	11.6	- 8.6
Revenue	492.9	463.5	+ 6.3
% of non-SIA work	29.2%	22.8%	+ 6.4 pts

1H FY06/07 Group Expenditure

	FY06/07	FY05/06	Variance
	1H	1H	
	\$M	\$M	%
Staff costs	185.3	179.6	+ 3.2
Materials	124.0	115.8	+ 7.1
Overheads	115.8	108.7	+ 6.5
Expenditure	425.1	404.1	+ 5.2

Financial Statistics

	As at Sep 06	As at Mar 06	Variance %
Shareholders' funds (S\$M)	937.3	1,038.8	- 9.8
Net asset value per share (cents)	88.7	100.2	- 11.4
Cash position (S\$M)	340.8	500.5	- 31.9
	1H FY06/07	1H FY05/06	Variance
EPS (cents)	13.2	10.3	+ 27.9%
Return on average shareholders' funds (%) (MAA)*	28.0	21.9	+ 6.1pts

* MAA denotes moving annual average

1H FY06/07

Proposed Interim Dividend

		\$M
Tax-Exempt (One-Tier) Interim Dividend:		
Ordinary	4.0 cents/share	42.2
Gross dividend yield * <i>(Annualised)</i>		2.3%
Payout ratio		30.5%

* based on share price of \$3.52 as at 29 September 2006

Summary of Q2 FY06/07 Group Results

	FY06/07 Q2 \$M	FY05/06 Q2 \$M	Variance %
Revenue	244.3	240.0	+ 1.8
Expenditure	209.6	213.6	- 1.9
Operating profit	34.7	26.4	+ 31.4
Share of associated and JV companies' profits	35.4	24.7	+ 43.3
Profit before tax	80.4	58.4	+ 37.7
Net profit	72.0	50.4	+ 42.9
Net profit margin (%)	29.5	21.0	+ 8.5 pts

OUR JOINT VENTURES

J V Revenue

	1H 06/07	1H 05/06	Variance	
	\$M	\$M	\$M	%
Engine Overhaul Centres (ESA & SAESL)	878.7	571.6	+307.1	+ 53.7
Others	308.8	250.1	+ 58.7	+ 23.5
Total	1,187.5	821.7	+365.8	+ 44.5

OUR JOINT VENTURES

Profit Contributions from J V

	1H 06/07	1H 05/06	Variance	
	\$M	\$M	\$M	%
Engine Overhaul Centres (ESA & SAESL)	36.7	28.7	+ 8.0	+27.9
Others	31.0	23.4	+ 7.6	+32.5
Total	67.7	52.1	+15.6	+29.9

OUR JOINT VENTURES

Total Revenue (1st Half FY06/07)

	SIA \$M	Non-SIA \$M		Total \$M
Engine Overhaul Centres (ESA & SAESL)	283.0	595.7	(68%)	878.7
Others	33.3	275.5	(89%)	308.8
J V Total	316.3	871.2	(73%)	1,187.5
SIAEC Co	339.7	139.6	(29%)	479.2
Grand Total	656.0	1,010.7	(61%)	1,666.7

OPERATIONS REVIEW



Secured All 5 New Entrants at Changi Airport

New Line Maintenance Customers

1. Shanghai Air Cargo
2. Cebu Pacific
3. Air-India Express
4. Far Eastern Air Transport
5. K-Mile Air

- **Market share increased to 85%**
- **H1 FY06/ 07: 43,877 flights handled (3% increase)**

Line Maintenance



7 New Contracts Signed

New Contracts

1. Garuda
2. Qantas
3. Air Mauritius
4. Evergreen
5. Biman Bangladesh
6. Oasis Airlines
7. Saudi Arabian

Renewed Contracts

1. Japan Airlines
2. Martinair
3. Air Canada
4. Atlas Air
5. Fedex
6. Dubai Air Wing

Airframe & Component Overhaul

SIA ENGINEERING COMPANY



Fastest Growing Business Segment Revenue Doubled to \$32M

Customers

1. **Air Pacific** (B747-400)
2. **Air Atlanta** (B747-400)
3. **SilkAir** (A319/A320)
4. **Tiger Air** (A320)
5. **Cebu Pacific** (A319/A320)
6. **DragonAir** (B747-300SF)
7. **GoAir** (A320)

Fleet Management Programme

SIA ENGINEERING COMPANY



July 06: Signed MOU with Wadia Group

- Line maintenance at 8 airports in India

Aug 06: Commenced B747-400 PTF Conversion

- 2nd in the world to offer services

Aug 06: Restructuring Initiatives

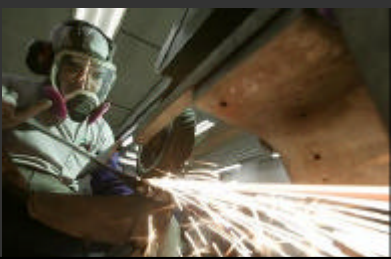
- Optimise manpower utilisation
- Reduce cost structure



New Projects

OUTLOOK

- Sustained MRO demand
- Pressure on rates
- Implementing productivity improvements to enhance market competitiveness & grow market share



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Thank You