



# SIA ENGINEERING COMPANY

## H1 FY2011/12 Performance Review – Financial Review

# Summary of Group Results

	<b>1HFY1112</b>	<b>1HFY1011</b>	<b>Variance</b>	
	<b>\$M</b>	<b>\$M</b>	<b>%</b>	
<b>Revenue</b>	<b>550.0</b>	<b>565.4</b>	<b>-</b>	<b>2.7</b>
<b>Expenditure</b>	<b>481.3</b>	<b>494.8</b>	<b>-</b>	<b>2.7</b>
<b>Operating profit</b>	<b>68.7</b>	<b>70.6</b>	<b>-</b>	<b>2.7</b>
<b>Share of JV &amp; Assoc Cos' Profits</b>	<b>77.7</b>	<b>77.0</b>	<b>+</b>	<b>0.9</b>
<b>Profit before tax</b>	<b>155.2</b>	<b>158.5</b>	<b>-</b>	<b>2.1</b>
<b>Net profit</b>	<b>139.3</b>	<b>137.3</b>	<b>+</b>	<b>1.5</b>
<b>Net profit margin (%)</b>	<b>25.3</b>	<b>24.3</b>	<b>+</b>	<b>1.0 pts</b>

# 2QFY1112 Group Results

	2QFY1112 \$M	2QFY1011 \$M	Variance %	
Revenue	272.4	277.1	-	1.7
Expenditure	238.4	242.7	-	1.8
Operating profit	34.0	34.4	-	1.2
Share of JV & Assoc Cos' Profits	40.5	37.8	+	7.1
Profit before tax	78.0	76.0	+	2.6
Provision for tax	6.0	8.8	-	31.8
Net profit	71.2	66.5	+	7.1
Net profit margin (%)	26.1	24.0	+	2.1 pts

# Breakdown of Group Revenue

	<b>1HFY1112</b>	<b>1HFY1011</b>	<b>Variance</b>
	<b>\$M</b>	<b>\$M</b>	<b>%</b>
<b>Airframe &amp; Component Overhaul</b>	<b>270.5</b>	<b>287.2</b>	<b>- 5.8</b>
<b>Fleet Management</b>	<b>84.8</b>	<b>82.0</b>	<b>+ 3.4</b>
<b>Repair &amp; Overhaul</b>	<b>355.3</b>	<b>369.2</b>	<b>- 3.8</b>
<b>Line Maintenance</b>	<b>194.7</b>	<b>196.2</b>	<b>- 0.8</b>
	<b>550.0</b>	<b>565.4</b>	<b>- 2.7</b>

# Group Expenditure

	<b>1HFY1112</b>	<b>1HFY1011</b>	<b>Variance</b>
	<b>\$M</b>	<b>\$M</b>	<b>%</b>
<b>Staff costs</b>	<b>234.5</b>	<b>222.6</b>	<b>+ 5.3</b>
<b>Materials</b>	<b>103.3</b>	<b>122.9</b>	<b>- 15.9</b>
<b>Subcontract costs</b>	<b>64.1</b>	<b>58.2</b>	<b>+ 10.1</b>
<b>Overheads</b>	<b>79.4</b>	<b>91.1</b>	<b>- 12.8</b>
<b>Expenditure</b>	<b>481.3</b>	<b>494.8</b>	<b>- 2.7</b>

# Profit Contribution

	<b>1HFY1112</b> <b>\$M</b>	<b>1HFY1011</b> <b>\$M</b>	<b>Variance</b> <b>%</b>
<b><u>Operating Segments</u></b>			
Repair & Overhaul	<b>28.9</b>	<b>26.8</b>	<b>+ 7.8</b>
Line Maintenance	<b>39.8</b>	<b>43.8</b>	<b>- 9.1</b>
	<b>68.7</b>	<b>70.6</b>	<b>- 2.7</b>
<b><u>JVs and Associated Cos</u></b>			
Engine Overhaul and Component	<b>69.7</b>	<b>69.5</b>	<b>+ 0.3</b>
Others	<b>8.0</b>	<b>7.5</b>	<b>+ 6.7</b>
	<b>77.7</b>	<b>77.0</b>	<b>+ 0.9</b>

# SIA vs Non-SIA Revenue

	<b>SIA \$M</b>	<b>Non-SIA \$M</b>	<b>Total \$M</b>
<b>SIAEC</b>	<b>317.3</b>	<b>196.1</b>	<b>513.4</b>
<i>% of non-SIA work</i>		<b>38%</b>	
<b>Subsidiary Cos</b>	<b>24.5</b>	<b>30.1</b>	<b>54.6</b>
<i>% of non-SIA work</i>		<b>55%</b>	
<b>JVs &amp; Associated Cos</b>			
- Engine Overhaul and Component	392.7	1,112.0	1,504.7
- Others	24.5	137.1	161.6
	<b>417.2</b>	<b>1,249.1</b>	<b>1,666.3</b>
<i>% of non-SIA work</i>		<b>75%</b>	
<b>Combined revenue</b>	<b>759.0</b>	<b>1,475.3</b>	<b>2,234.3</b>
<i>% of non-SIA work</i>		<b>66%</b>	

# Financial Statistics

	<b>1HFY1112</b>	<b>1HFY1011</b>		
<b>EPS (cents)</b>	<b>12.7</b>	<b>12.7</b>	<b>-</b>	<b>%</b>
<b>Return on average shareholders' funds (%)</b>	<b>21.3</b>	<b>21.9</b>	<b>-</b>	<b>0.6 pts</b>
	<b>As at Sept 11</b>	<b>As at Mar 11</b>	<b>Variance %</b>	
<b>Shareholders' equity (\$M)</b>	<b>1,194.1</b>	<b>1,302.7</b>	<b>-</b>	<b>8.3</b>
<b>Net asset value per share (cents)</b>	<b>108.9</b>	<b>119.4</b>	<b>-</b>	<b>8.8</b>
<b>Cash position (Grp) (\$M)</b>	<b>388.9</b>	<b>581.4</b>	<b>-</b>	<b>33.1</b>





## Operations Review

# Line Maintenance

**+4.4%**

Flights handled at  
Changi Airport

H1FY11/ 12

56,967

H1FY10/ 11

54,546

4 New Contracts



Condor

STRATEGIC  
AIRLINES

3 Renewed Contracts

Jet★

AIR CHINA

AIR MAURITIUS

# Aircraft & Component Services



	<u>H1FY11/12</u>	<u>H1FY10/11</u>
'A' checks*	228	224
'C' checks	54	62
'D' checks	8	10

\* Performed in Singapore & Bahrain

## 11 New Contracts



## STRATEGIC CUSTOMERS

June 2011

### SIA Cargo Services Agreement

- Renewal of comprehensive Services Agreement
- 5-year term
- Contract value: \$358 million

Sep 2011

### Transaero Cabin Reconfiguration

- Commenced work on reconfiguration of B777 aircraft

Oct 2011

### Gulf Air Cabin Reconfiguration

- Commenced work on reconfiguration of A319 and A330 aircraft



Photo: SIA





## STRATEGIC PARTNERSHIPS

**April 2011**

### **Launch of SAFRAN Joint Venture Facility**

- JV with world-leading avionics OEM
- SAFRAN's first avionics Centre of Excellence in Asia

**May 2011**

### **IFE JV with Panasonic Avionics Corp**

- Commenced operations at Changi Airport

**June 2011**

### **Aircelle GTA**

- Signed General Terms of Agreement for maintenance of nacelle and thrust reverser systems on A380, A330 and A340

**Sept 2011**

### **Messier-Bugatti-Dowty ARC**

- Signed Letter of Intent to work towards appointing SIAEC as an Authorised Repair Centre (ARC) for carbon wheels & brakes



## Interim Dividend (Tax Exempt One-Tier)

(in cents per share)

**Ordinary**

**6.0 cents**

- Demand in the near term is expected to be stable.
- Prevailing global economic and financial uncertainties will impact recovery of the aviation industry.
- Vigilance on cost and efficiency management will remain key priorities.



*Thank You*