

**Q2 FY04/05**  
**Performance Review**  
**Analyst/Media Briefing**

**29 October 2004**

# Financial Review

# Summary of Group Results – Q2 FY04/05

	<b>FY04/05</b>	<b>FY03/04</b>	<b>Variance</b>
	<b>Q2</b>	<b>Q2</b>	
	<b>S\$M</b>	<b>S\$M</b>	<b>%</b>
<b>Revenue</b>	<b>206.7</b>	<b>156.5</b>	<b>+ 32.1</b>
<b>Operating Profit</b>	<b>28.7</b>	<b>32.1</b>	<b>- 10.6</b>
<b>Profit before tax</b>	<b>48.7</b>	<b>46.0</b>	<b>+ 5.9</b>
<b>Profit attributable to shareholders</b>	<b>43.4</b>	<b>38.3</b>	<b>+ 13.4</b>

# Group Revenue Composition

	FY04/05 Q2 S\$M	FY03/04 Q2 S\$M	Variance %
<b>Labour revenue</b>	<b>135.8</b>	<b>107.2</b>	<b>+ 26.7</b>
<b>Material revenue</b>	<b>55.9</b>	<b>40.0</b>	<b>+ 39.8</b>
<b>Fleet management</b>	<b>9.1</b>	<b>2.6</b>	<b>+ 250.0</b>
<b>Others</b>	<b>5.9</b>	<b>6.7</b>	<b>- 11.9</b>
<b>Revenue</b>	<b>206.7</b>	<b>156.5</b>	<b>+ 32.1</b>
<b>% of non-SIA work</b>	<b>24%</b>	<b>19%</b>	<b>+ 5 pts</b>



# Group Expenditure

	FY04/05 Q2 S\$M	FY03/04 Q2 S\$M	Variance %
<b>Staff costs</b>	<b>87.1</b>	<b>60.0</b>	<b>+ 45.2</b>
<b>Materials</b>	<b>55.9</b>	<b>40.0</b>	<b>+ 39.8</b>
<b>Overheads</b>	<b>35.0</b>	<b>24.4</b>	<b>+ 43.4</b>
<b>Expenditure</b>	<b>178.0</b>	<b>124.4</b>	<b>+ 43.1</b>

# Group Profitability

	FY04/05 Q2 S\$M	FY03/04 Q2 S\$M	Variance %
<b>Operating profit</b>	<b>28.7</b>	<b>32.1</b>	<b>- 10.6</b>
<b>Share of associate and JV profits</b>	<b>19.2</b>	<b>12.8</b>	<b>+ 50.0</b>
<b>Profit before tax</b>	<b>48.7</b>	<b>46.0</b>	<b>+ 5.9</b>
<b>Profit after tax</b>	<b>43.5</b>	<b>38.3</b>	<b>+ 13.6</b>
<b>Net profit margin (%)</b>	<b>21.0</b>	<b>24.5</b>	<b>- 3.5 pts</b>

# Summary of Group Results – 1H FY04/05

	FY04/05 1H S\$M	FY03/04 1H S\$M	Variance %
<b>Revenue</b>	<b>408.0</b>	<b>326.0</b>	<b>+ 25.2</b>
<b>Expenditure</b>	<b>346.2*</b>	<b>278.2</b>	<b>+ 24.4</b>
<b>Operating profit</b>	<b>61.8</b>	<b>47.8</b>	<b>+ 29.3</b>
<b>Share of associate and JV profits</b>	<b>34.0</b>	<b>25.1</b>	<b>+ 35.5</b>
<b>Profit attributable to shareholders</b>	<b>87.1</b>	<b>61.2</b>	<b>+ 42.3</b>
<b>Net profit margin (%)</b>	<b>21.4</b>	<b>18.8</b>	<b>+ 2.6 pts</b>

\* Includes provision for profit-sharing bonus, nil in 1H FY03/04



# Group Profitability: Q2 vs Q1

	FY04/05 Q2 S\$M	FY04/05 Q1 S\$M	Variance %
<b>Operating profit</b>	<b>28.7</b>	<b>33.1</b>	<b>- 13.3</b>
<b>Share of associate and JV profits</b>	<b>19.2</b>	<b>14.8</b>	<b>+ 29.7</b>
<b>Profit before tax</b>	<b>48.7</b>	<b>48.8</b>	<b>- 0.2</b>
<b>Profit after tax</b>	<b>43.5</b>	<b>43.8</b>	<b>- 0.7</b>
<b>Net profit margin (%)</b>	<b>21.0</b>	<b>21.8</b>	<b>- 0.8 pts</b>



# Group Financial Statistics

	Sep 04	Mar 04	Variance %
<b>Shareholders' funds (S\$M)</b>	<b>797.4</b>	<b>925.8</b>	<b>- 13.9</b>
<b>Net asset value per share (cents)</b>	<b>78.8</b>	<b>92.1</b>	<b>- 14.4</b>
<b>Cash position (S\$M)</b>	<b>288.3</b>	<b>472.4</b>	<b>- 39.0</b>
	FY04/05 Q2	FY03/04 Q2	Variance %
<b>Return on average shareholders' funds (%) (MAA)*</b>	<b>20</b>	<b>20</b>	<b>-</b>

\* MAA denotes moving annual average

# Interim Dividend

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<b>Interim Dividend:</b>		<b>S\$M</b>
<b>Ordinary</b>	<b>3.0 cents/share<sup>#</sup></b>	<b>30.3</b>
		<b>%</b>
<b>Annualised gross dividend yield *</b>		<b>2.9</b>
<b>Payout ratio *</b>		<b>34.8</b>

# 10 cents par value

\* based on share price of \$2.08 as at 30 September 2004

# Operational Review



# Line Maintenance

Flights Handled at Changi Airport:

**Q2 FY04/05**  
**19,227**

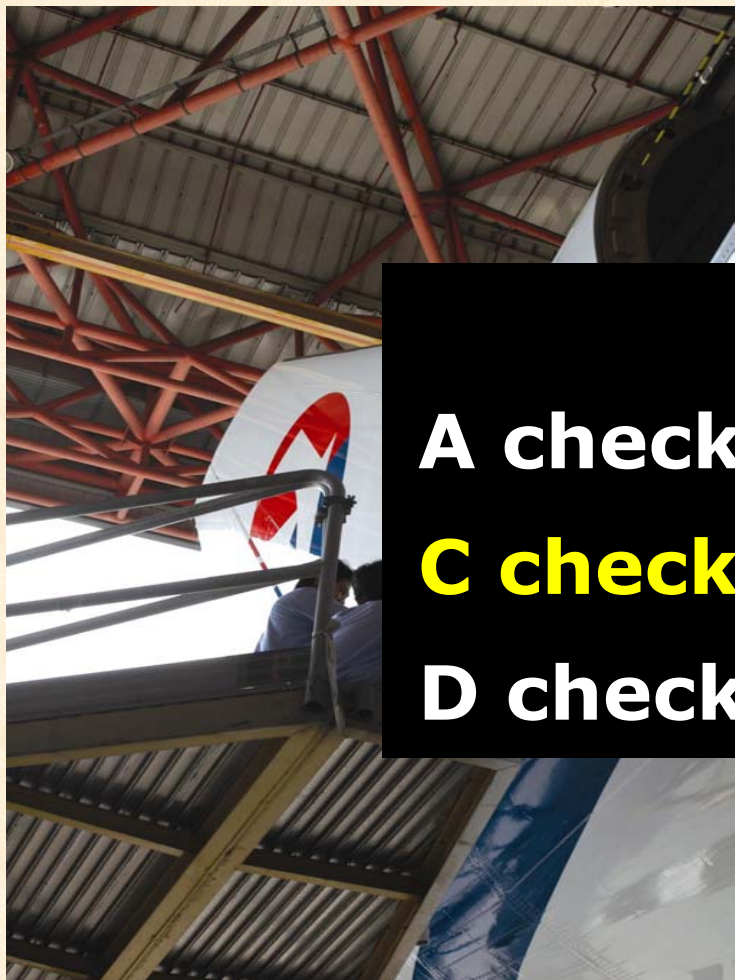
**Q2 FY03/04**  
**15,709**

**Change**  
**+ 22%**





# Airframe & Component Overhaul



	<u>Q2 04/05</u>	<u>Q2 03/04</u>
<b>A checks</b>	<b>101</b>	<b>80</b>
<b>C checks</b>	<b>33</b>	<b>27</b>
<b>D checks</b>	<b>6</b>	<b>3</b>



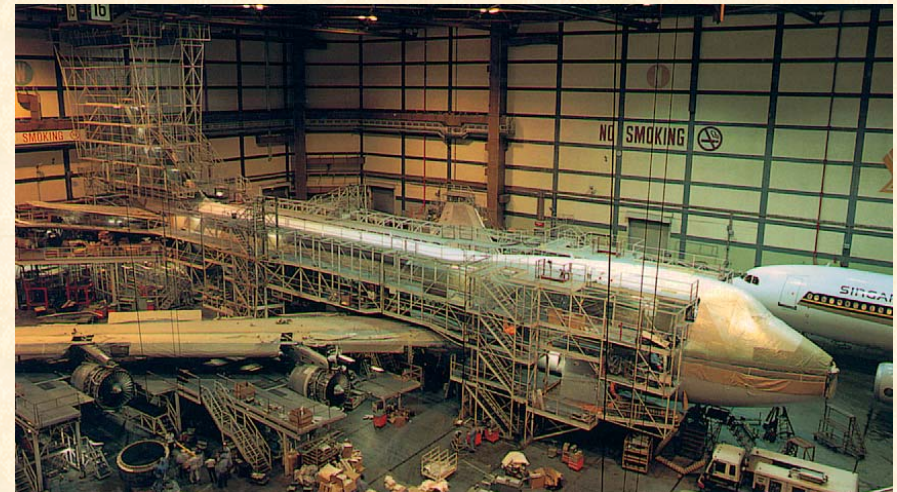
# Major Events in H1 FY04/05

- **May 2004** Announced B747-400 freighter conversion business
- **May 2004** Signed \$100-120M contract with SilkAir
- **July 2004** Signed JVA to form Aircraft Interior Modifications Centre
- **Sept 2004** Signed \$110M contract with Tiger Airways



# B747-400 PTF

- Secured orders for 7 freighters to be delivered in 2006-2008
- Seeking significant share of B747-400 PTF market
- Attract post-conversion maintenance
- Tap growing market for large mod projects



# Joint Venture

- JV partners: Jamco America & Jamco Corp
- SIAEC: 45% equity share
- Centre for turnkey aircraft interior modifications
- One of the first in the region





# New A320 Services

## Customers: SilkAir & Tiger Airways

- **Fleet Technical Management (FTM)** covers full range of engineering support activities e.g. managing & planning maintenance programmes; aircraft performance monitoring
- **Inventory Technical Management (ITM)** includes supply, sourcing, testing, repair & overhaul of components; associated logistics
- **Maintenance Services**



# Outlook for Q3 FY04/05

- MRO activities benefiting from rebound in air traffic with improving outlook in the aviation industry
- Intense competition and volatile fuel prices continue to impact airlines
- Growing LCC market
- Q3 FY04/05 revenue expected to be comparable to that of Q2 FY04/05

*Thank You*