



**SIA ENGINEERING
COMPANY**

FY2014/15 Performance Review





**SIA ENGINEERING
COMPANY**

Financial Review



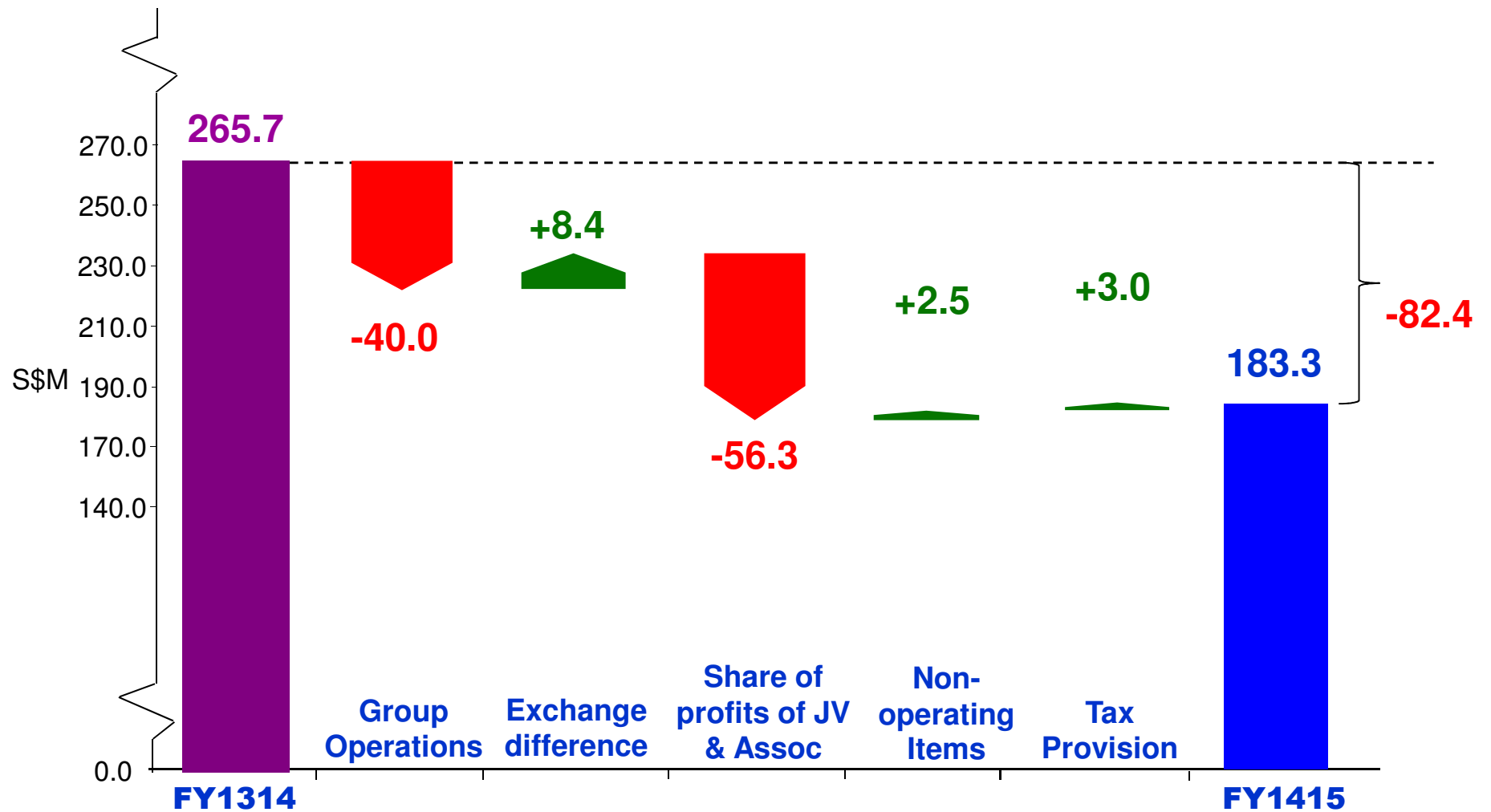
Summary of Group Results

FY1415

	FY1415	FY1314	Variance
	\$M	\$M	%
Revenue	1,120.6	1,178.2	- 4.9
Expenditure	1,036.6	1,062.6	- 2.4
Operating profit	84.0	115.6	- 27.3
Share of results of Assoc/JVs, net of tax	106.3	162.6	- 34.6
Profit before tax	205.4	294.0	- 30.1
Net profit	183.3	265.7	- 31.0
Net profit margin (%)	16.4	22.6	- 6.2 ppt



Group Profit for FY2014/15



Joint Venture and Associated Companies

FY1415

	FY1415 \$M	FY1314 \$M	Variance %
<u>Share of profits after tax</u>			
Repair and Overhaul			
- Engine Repair & Overhaul Centres	67.6	125.0	- 45.9
- Others	35.8	34.9	+ 2.6
	103.4	159.9	- 35.3
Line Maintenance	2.9	2.7	+ 7.4
	106.3	162.6	- 34.6



Breakdown of Group Revenue

FY1415

	FY1415	FY1314	Variance
	\$M	\$M	%
Airframe & Component Overhaul	490.3	579.1	- 15.3
Fleet Management	188.1	164.5	+ 14.3
Repair & Overhaul	678.4	743.6	- 8.8
Line Maintenance	442.2	434.6	+ 1.7
	1,120.6	1,178.2	- 4.9



Group Expenditure

FY1415

	FY1415 \$M	FY1314 \$M	Variance %
Staff costs	476.7	508.4	- 6.2
Materials	176.7	223.1	- 20.8
Subcontract costs	178.5	145.7	+ 22.5
Overheads	204.7	185.4	+ 10.4
Expenditure	1,036.6	1,062.6	- 2.4



Group Operating Profit by Segment

FY1415

	FY1415 \$M	FY1314 \$M	Variance %
Repair & Overhaul	(14.3)	32.5	n.m.
Line Maintenance	98.3	83.1	+ 18.3
	84.0	115.6	- 27.3



Group Operating Profit by Segment

FY1415

	1H FY1415 \$M	2H FY1415 \$M	FY1415 \$M
Repair & Overhaul	(8.8)	(5.5)	(14.3)
Line Maintenance	45.4	52.9	98.3
	36.6	47.4	84.0



SIA vs Non-SIA Revenue

FY1415

	SIA \$M	Non-SIA \$M	Total \$M
SIAEC	670.8	361.7	1,032.5
<i>% of non-SIA work</i>		35%	
Subsidiary Cos	59.6	76.9	136.5
<i>% of non-SIA work</i>		56%	
JV & Associated Cos			
- Repair & Overhaul	553.2	2,299.4	2,852.6
- Line Maintenance	15.0	30.1	45.1
	568.2	2,329.5	2,897.7
<i>% of non-SIA work</i>		80%	
Combined revenue	1,298.6	2,768.1	4,066.7
<i>% of non-SIA work</i>		68%	



Summary of Group Results

4Q FY1415

	4QFY1415	4QFY1314	Variance
	\$M	\$M	%
Revenue	276.0	311.1	- 11.3
Expenditure	252.9	276.9	- 8.7
Operating profit	23.1	34.2	- 32.5
Share of results of Assoc/JVs, net of tax	21.3	36.1	- 41.0
Profit before tax	46.6	73.2	- 36.3
Net profit	41.4	65.2	- 36.5
Net profit margin (%)	15.0	21.0	- 6.0 ppt



Group Balance Sheet

	31 Mar 2015 \$M	31 Mar 2014 \$M
Equity attributable to owners of the parent	1,324.9	1,360.9
Non-controlling interests	24.7	29.6
Total equity	1,349.6	1,390.5
Non-current liabilities	50.5	40.4
	1,400.1	1,430.9
<u>Represented by:</u>		
Non-current assets	884.1	842.0
Cash	463.7	535.7
Other current assets	308.8	329.4
	772.5	865.1
Less: Current liabilities	(256.5)	(276.2)
Net current assets	516.0	588.9
	1,400.1	1,430.9



Financial Statistics

	FY1415	FY1314	Variance
Basic earnings per share (cents)	16.36	23.88	- 31.5 %
Return on average shareholders' funds (%)	13.6	20.0	- 6.4 ppt

	Mar 15	Mar 14	Variance
Net asset value per share (cents)	118.1	122.0	- 3.2 %



Final Dividend

	FY1415	FY1314
<u>Final Dividend</u> <u>(in cents per share)</u>		
Ordinary	8.5	13.0
Special	-	5.0
Total Dividend	14.5 *	25.0

* Inclusive of interim dividend of 6 cents per share paid on 25 November 2014.



**SIA ENGINEERING
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Operations Review



Core Businesses



**Line
Maintenance**

34 airports in 7 countries



**Aircraft &
Component
Services**

**6 hangars in Singapore
3 hangars in the Philippines**



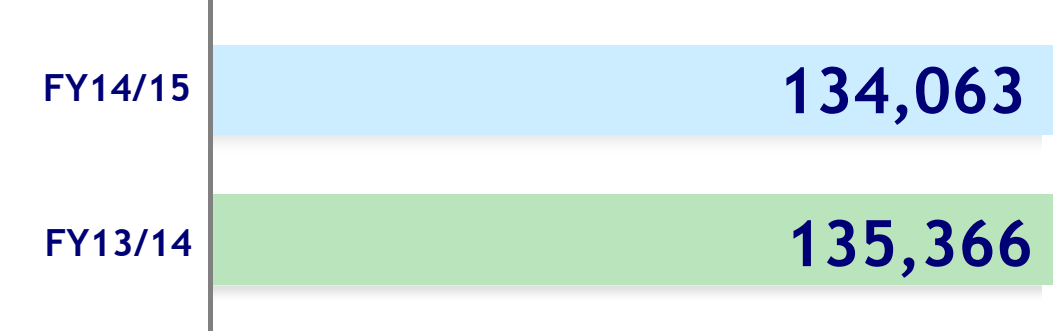
**Fleet
Management**

Fleet size: 181 aircraft



Line Maintenance

-1.0%
Flights handled at
Changi Airport



8 New Contracts

Logos for 8 new contracts: NokScoot, Tigerair Taiwan, Oman Air, Air New Zealand, Vietjet Air, Uzbekistan Airways, Atlantic Airways, and Air Siem Reap.

12 Renewed Contracts

Logos for 12 renewed contracts: Saudia, Thai, NCA, Qatar Airways, Cargolux, Air Mauritius, Korean Air, Air India, China Cargo Airlines, Hainan Airlines, Shenzhen Airlines, and SriLankan Airlines.

Aircraft & Component Services



Maintenance checks at Singapore base:

	FY14/15	FY13/14
'A' checks*	376	384
'C' checks	68	88
'D' checks	17	37

* Include 'A' checks by Line Mtce at Changi Airport

12 New/Renewed Contracts

Maintenance checks at Clark base:

	FY14/15	FY13/14
'A' checks	9	30
'C' checks	18	29



Rolls-Royce®



ASIANA AIRLINES



SIA ENGINEERING COMPANY



Fleet Management



124 aircraft



29 aircraft



9 aircraft



12 aircraft



7 aircraft

FMP Fleet Size: 181 aircraft



Key Developments

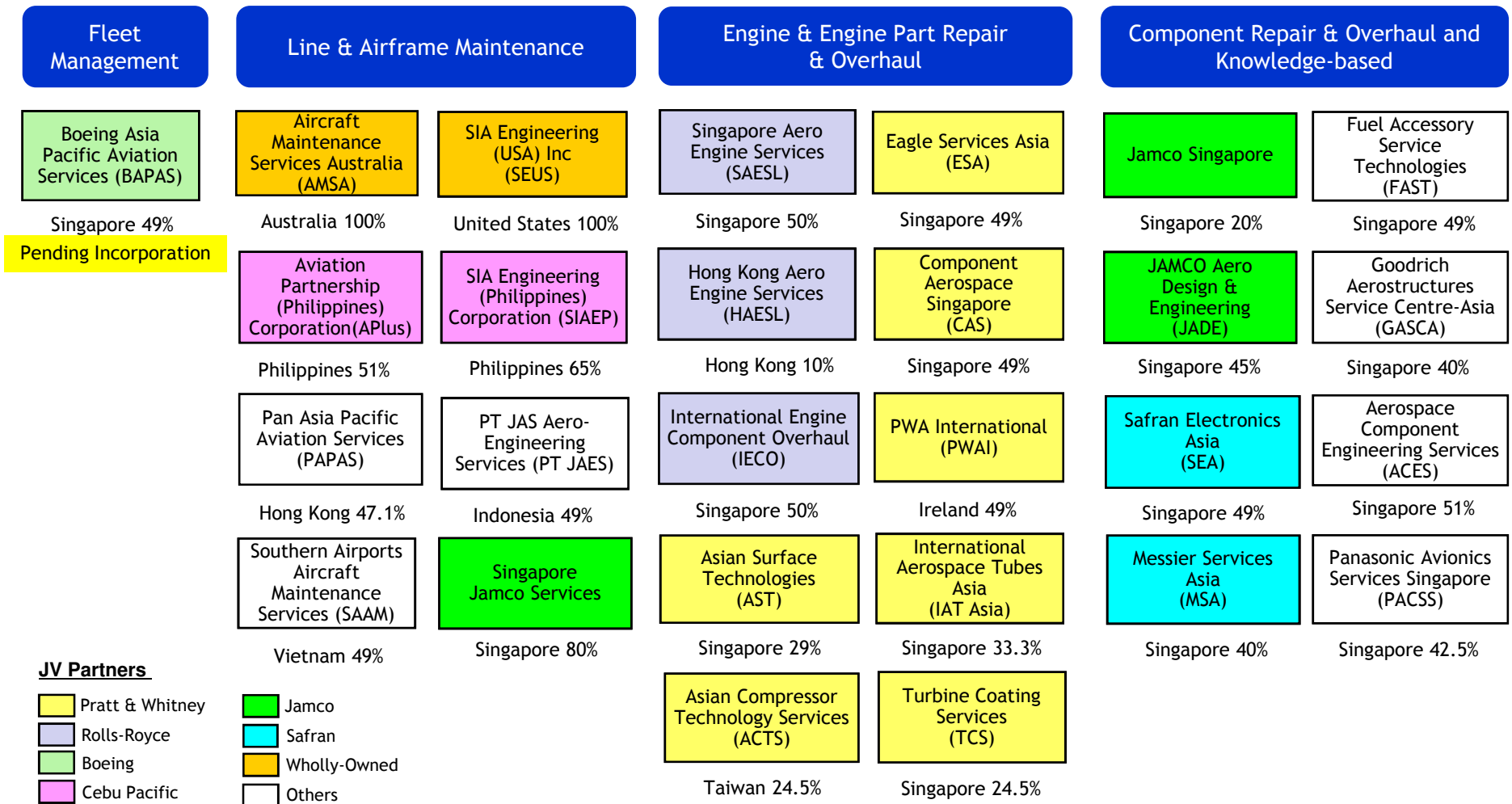


Fleet Management JV in Singapore to serve airlines in Asia-Pacific & beyond

- ✓ Leverage on:
 - **Boeing's OEM expertise & e-enabling technology**
 - **SIAEC's extensive MRO experience**
- ✓ Provide airlines with customized & integrated fleet management services
- ✓ Service offerings for **Boeing 737, 747, 777 & 787**



SIAEC Group: 26 JVs in 9 countries



Accessing OEM Markets & Proprietary Technology through Strategic JVs

Key Developments



SIAEC Training Academy appointed Airbus Maintenance Training Centre

- SIAEC Training Academy equipped with Airbus latest maintenance devices and courseware
- Maintenance training for **Airbus A320, A330, A380 and A350**
- Strengthens SIAEC's comprehensive service offerings to airlines in the region

Key Developments



SIAEC signs \$2.9 billion Services Agreement with SIA

- Renewal of current Services Agreement
- 3-year term, with options to renew for 3 years and a further 2 years
- Covers **MRO and Fleet Management** support services



Outlook

- Operating environment remains challenging.
- Reduction in engine shop visits due to improved reliability of newer generation engines, while older generation engines are being phased out.
- The Company is taking initiatives to position itself for the future. One such initiative is the fleet management JV with Boeing.
- With growth in the operating fleet of the region, demand for engine/aircraft MRO work will pick up.
- The Group is well positioned to meet challenges, and will continue to pursue opportunities and strategic initiatives.





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