



**SIA ENGINEERING
COMPANY**

H1 FY2014/15 Performance Review





**SIA ENGINEERING
COMPANY**

Financial Review



Summary of Group Results

1H FY1415

	1H FY1415	1H FY1314	Variance
	\$M	\$M	%
Revenue	579.3	583.3	- 0.7
Expenditure	542.7	527.1	+ 3.0
Operating profit	36.6	56.2	- 34.9
Share of results of Assoc/JVs, net of tax	59.7	88.6	- 32.6
Profit before tax	106.7	154.0	- 30.7
Net profit	95.6	140.0	- 31.7
Net profit margin (%)	16.5	24.0	- 7.5 ppt



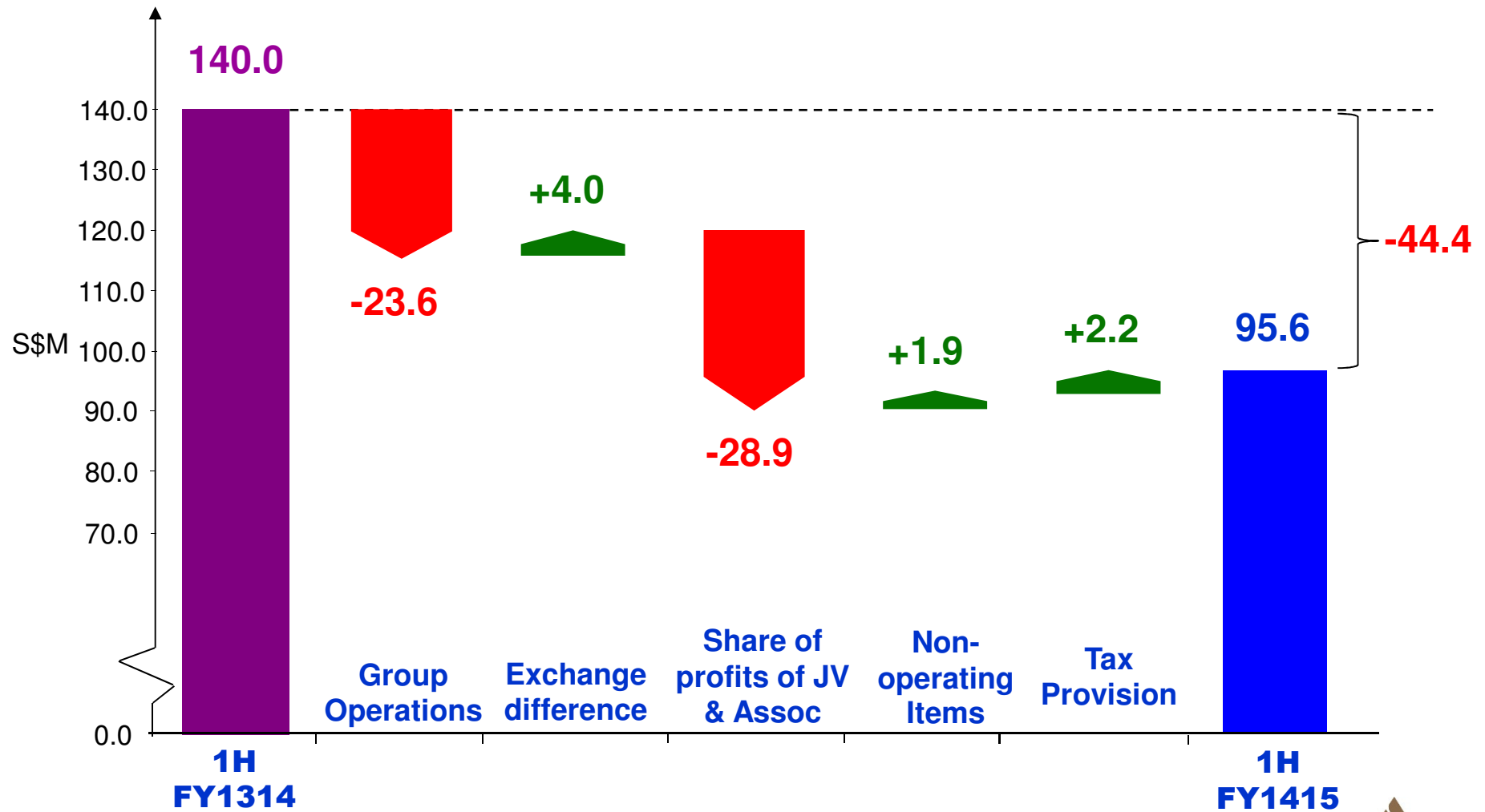
Summary of Group Results

2Q FY1415

	2Q FY1415	2Q FY1314	Variance
	\$M	\$M	%
Revenue	285.2	293.9	- 3.0
Expenditure	269.3	265.4	+ 1.5
Operating profit	15.9	28.5	- 44.2
Share of results of Assoc/JVs, net of tax	29.1	45.6	- 36.2
Profit before tax	47.1	78.0	- 39.6
Net profit	42.1	71.0	- 40.7
Net profit margin (%)	14.8	24.2	- 9.4 ppt



Group Profit for 1H FY1415



Joint Venture and Associated Companies

1H FY1415

	1H FY1415 \$M	1H FY1314 \$M	Variance %
<u>Share of profits after tax</u>			
Repair and Overhaul			
- Engine Repair & Overhaul Centres	39.1	64.1	- 39.0
- Others	19.4	23.2	- 16.4
	58.5	87.3	- 33.0
Line Maintenance	1.2	1.3	- 7.7
	59.7	88.6	- 32.6



Breakdown of Group Revenue

1H FY1415

	1H FY1415 \$M	1H FY1314 \$M	Variance %
Airframe & Component Overhaul	262.0	288.3	- 9.1
Fleet Management	96.3	79.0	+ 21.9
Repair & Overhaul	358.3	367.3	- 2.5
Line Maintenance	221.0	216.0	+ 2.3
	579.3	583.3	- 0.7



Group Expenditure

1H FY1415

	1H FY1415	1H FY1314	Variance
	\$M	\$M	%
Staff costs	245.8	257.1	- 4.4
Materials	100.1	112.4	- 10.9
Subcontract costs	95.6	66.6	+ 43.5
Overheads	101.2	91.0	+ 11.2
Expenditure	542.7	527.1	+ 3.0



Group Operating Profit by Segment

1H FY1415

	1H FY1415 \$M	1H FY1314 \$M	Variance %
Repair & Overhaul	(7.4)	15.1	n.m.
Line Maintenance	44.0	41.1	+ 7.1
	36.6	56.2	- 34.9



SIA vs Non-SIA Revenue

1H FY1415

	SIA \$M	Non-SIA \$M	Total \$M
SIAEC	337.4	194.2	531.6
<i>% of non-SIA work</i>		37%	
Subsidiary Cos	31.8	41.4	73.2
<i>% of non-SIA work</i>		57%	
JV & Associated Cos			
- Repair & Overhaul	278.8	1,230.9	1,509.7
- Line Maintenance	7.7	11.1	18.8
	286.5	1,242.0	1,528.5
<i>% of non-SIA work</i>		81%	
Combined revenue	655.7	1,477.6	2,133.3
<i>% of non-SIA work</i>		69%	



Group Balance Sheet

	30 Sep 2014 \$M	31 Mar 2014 \$M
Equity attributable to owners of the parent	1,272.0	1,360.9
Non-controlling interests	24.2	29.6
Total equity	1,296.2	1,390.5
Non-current liabilities	44.1	40.4
	1,340.3	1,430.9
<u>Represented by:</u>		
Non-current assets	864.8	842.0
Cash	391.2	535.7
Other current assets	335.0	329.4
	726.2	865.1
Less: Current liabilities	(250.7)	(276.2)
Net current assets	475.5	588.9
	1,340.3	1,430.9



Financial Statistics

	1H FY1415	1H FY1314	Variance
Basic earnings per share (cents)	8.5	12.6	- 32.2 %
Return on average shareholders' funds (%)	17.2	21.6	- 4.4 ppt

	Sep 14	Mar 14	Variance
Net asset value per share (cents)	113.5	122.0	- 7.0 %



Outlook

- Group's performance continues to be affected by decline in engine shop visits & heavy checks.
- Pressure on margins, rising business costs, intense competition.
- Stepping up productivity improvement efforts.
- Staying the course of pursuing value-added collaborations with strategic partners.
This will position the Group well to take advantage of long-term growth opportunities in the region.



Interim Dividend

Interim Dividend

(in cents per share)

Ordinary

1H FY1415

1H FY1314

6.0

7.0





**SIA ENGINEERING
COMPANY**

Operations Review



Core Businesses



**Line
Maintenance**

34 airports in 7 countries



**Aircraft &
Component
Services**

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

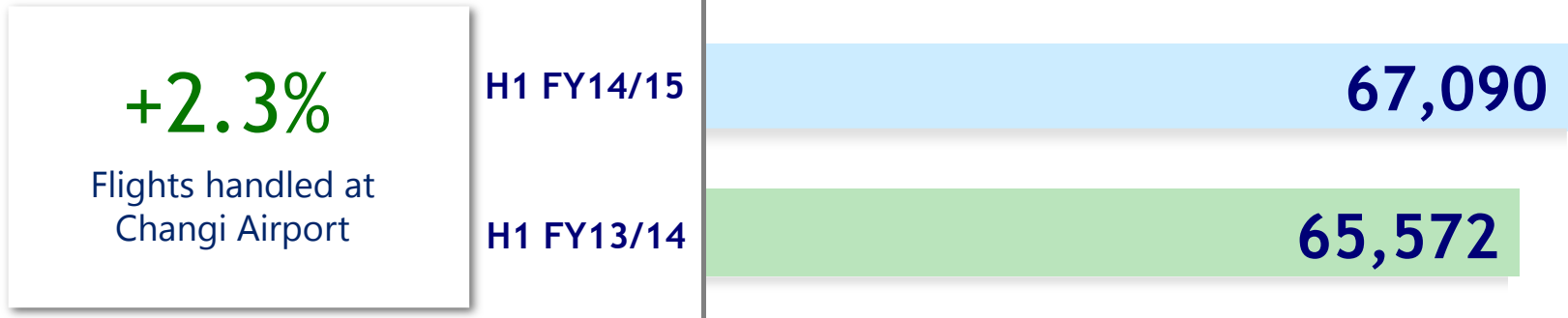


**Fleet
Management**

Fleet size: 170 aircraft



Line Maintenance



3 New Contracts

7 Renewed Contracts

Aircraft & Component Services



Maintenance checks at Singapore base:

	<u>H1 FY14/15</u>	<u>H1 FY13/14</u>
'A' checks*	192	193
'C' checks	34	37
'D' checks	10	23

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

8 New Contracts

Maintenance checks at Clark base:

	<u>H1 FY14/15</u>	<u>H1 FY13/14</u>
'A' & 'E' checks	9	15
'C' checks	4	8
Release & Ad-hoc	17	12



Rolls-Royce®



ASIANA AIRLINES ↑



NOK AIR

SIA ENGINEERING COMPANY



Fleet Management



118 aircraft



29 aircraft



6 aircraft



12 aircraft



5 aircraft

FMP fleet size: 170 aircraft

SIAEC is one of the world's largest fleet management service providers



Major Event



9 July 2014: **SIAEC signed agreement with Boeing to form a JV based in Singapore to serve airlines in the Asia-Pacific and beyond**

- ✓ Leverage on:
 - Boeing's OEM expertise & advanced e-enabling technology
 - SIAEC's extensive MRO experience
- ✓ Customised, comprehensive & integrated fleet management services
- ✓ Service offerings for **Boeing 737, 747, 777 & 787**
- ✓ Subject to regulatory approvals



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