



FY2003-04 Financial Results

14 May 2004

ORDER OF PRESENTATION

- **THE GROUP**
- **THE AIRLINE COMPANY**
- **THE MAJOR SUBSIDIARIES**
- **DEVELOPMENTS**
- **OUTLOOK**

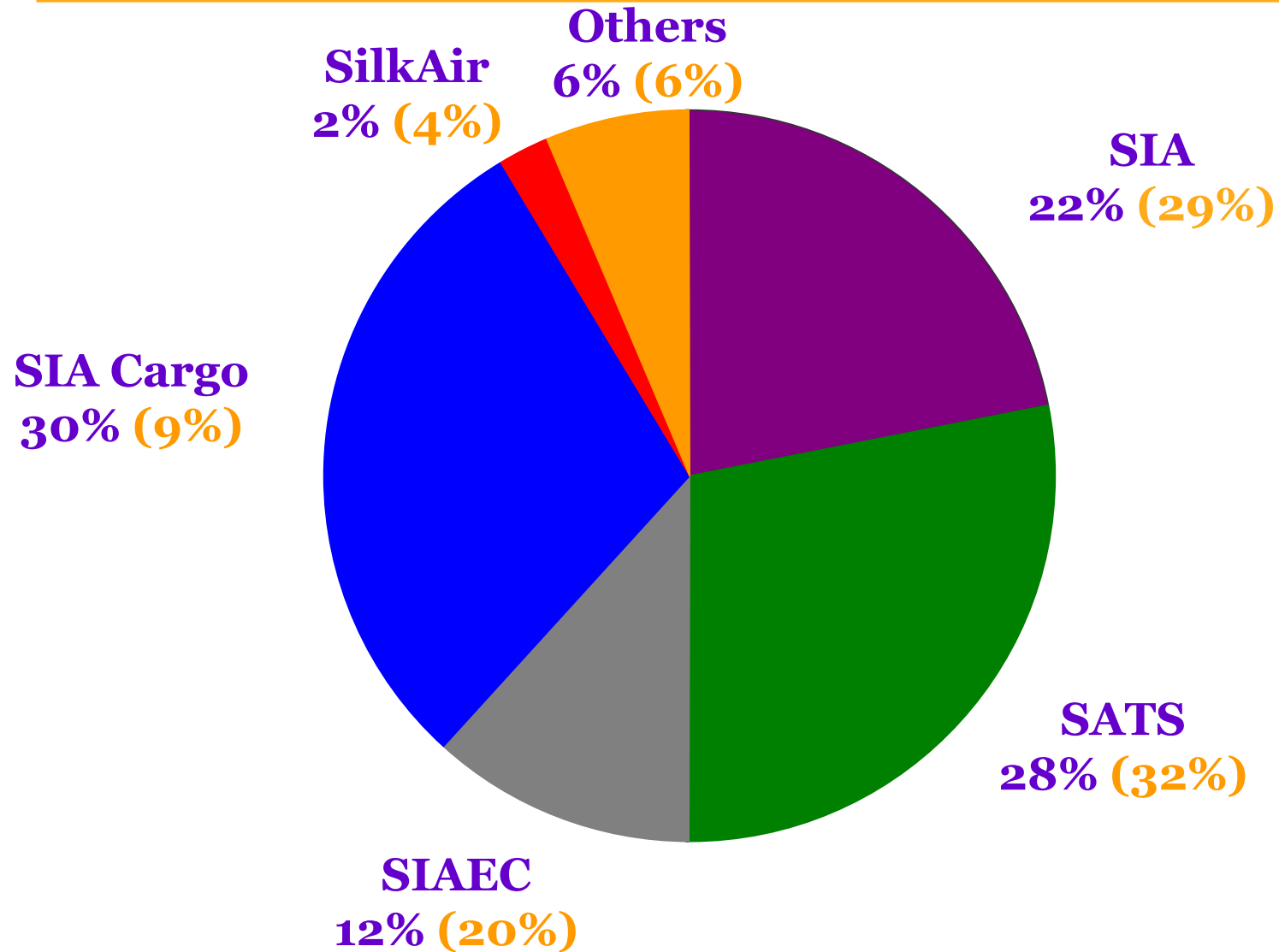
GROUP RESULTS – FY03/04 vs FY02/03 (\$million)

	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
Total Revenue	9,761.9	10,515.0	- 7.2
Total Expenditure	(9,081.5)	(9,797.9)	- 7.3
Operating Profit	680.4	717.1	- 5.1
Net Profit Attributable to Shareholders	849.3	1,064.8	- 20.2

GROUP RESULTS – FY03/04 vs FY02/03 (\$million)

	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>	
	<u>Jul03- Mar 04</u>	<u>Jul02- Mar 03</u>		
Total Revenue	9,761.9	10,515.0	-	7.2
	8,108.5	7,976.1	+	1.7
Total Expenditure	(9,081.5)	(9,797.9)	-	7.3
	(7,050.8)	(7,503.0)	-	6.0
Operating Profit	680.4	717.1	-	5.1
	1,057.7	473.1		n.m.
Net Profit Attributable to Shareholders	849.3	1,064.8	-	20.2
	1,161.6	586.4	+	98.1

CONTRIBUTION TO GROUP OPERATING PROFIT - FY03/04



CHANGE IN TAX RATE – FY03/04 (\$million)

	Tax Rate <u>at 20%</u>	Tax Rate <u>at 22%</u>	<u>Difference</u>
Net Profit Attributable to Shareholders	849.3	700.3	+149.0

GROUP RESULTS – FY03/04 vs FY02/03

	<u>2003-04</u>	<u>2002-03</u>
Earnings Per Share (¢)	69.7	87.4
Proposed Final Dividend Per Share (¢)	25.0	9.0
	<u>At 31 Mar 04</u>	<u>At 31 Mar 03</u>
Net Asset Value Per Share (\$)	9.40	8.79
Total Debt/Equity	0.2:1	0.2:1

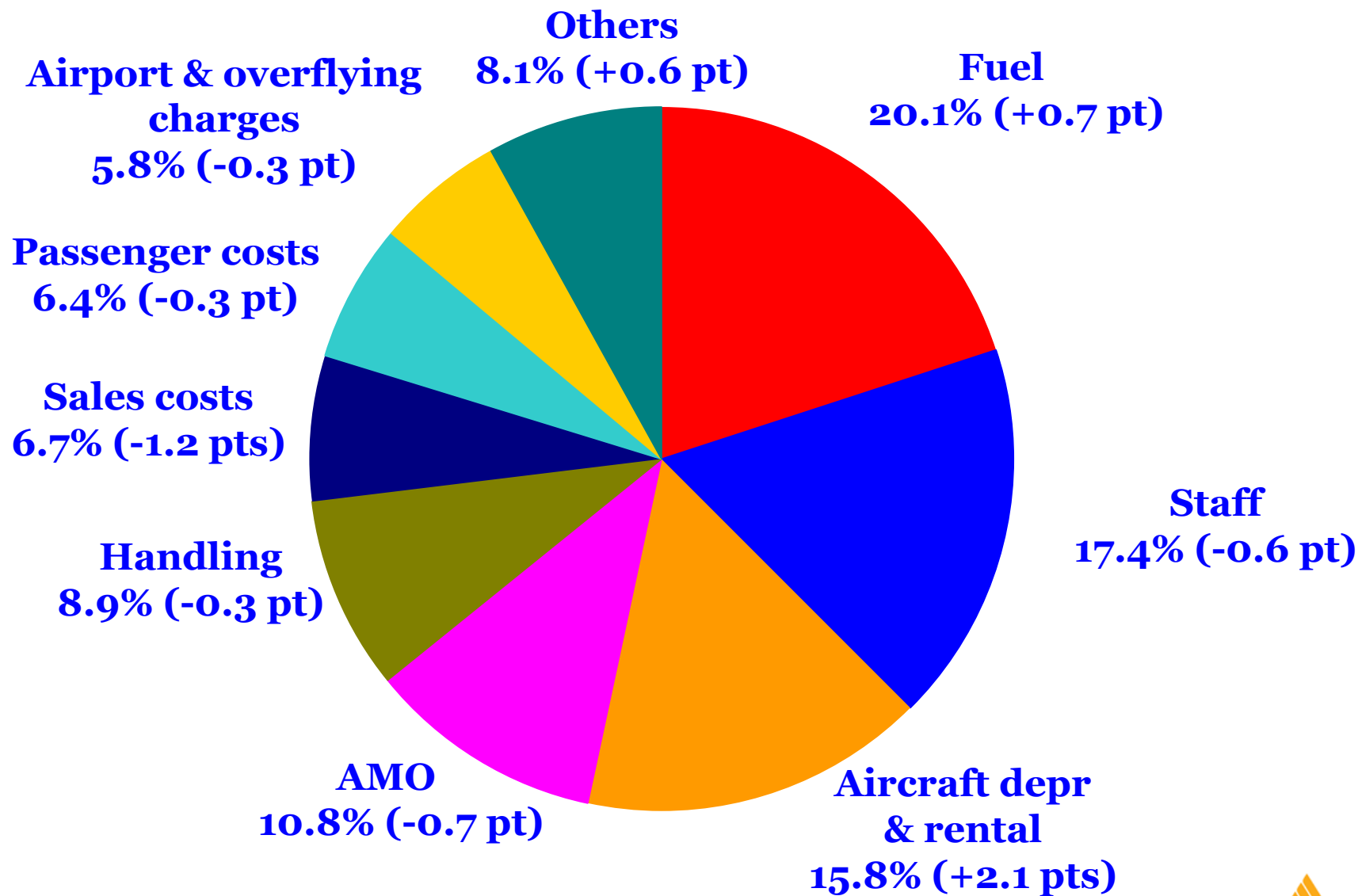
THE AIRLINE COMPANY RESULTS – FY03/04 vs FY02/03 (\$million)

	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
Total Revenue	7,187.6	8,047.0	- 10.7
Total Expenditure	(7,037.4)	(7,838.0)	- 10.2
Operating Profit	150.2	209.0	- 28.1
Net Profit	429.3	618.0	- 30.5

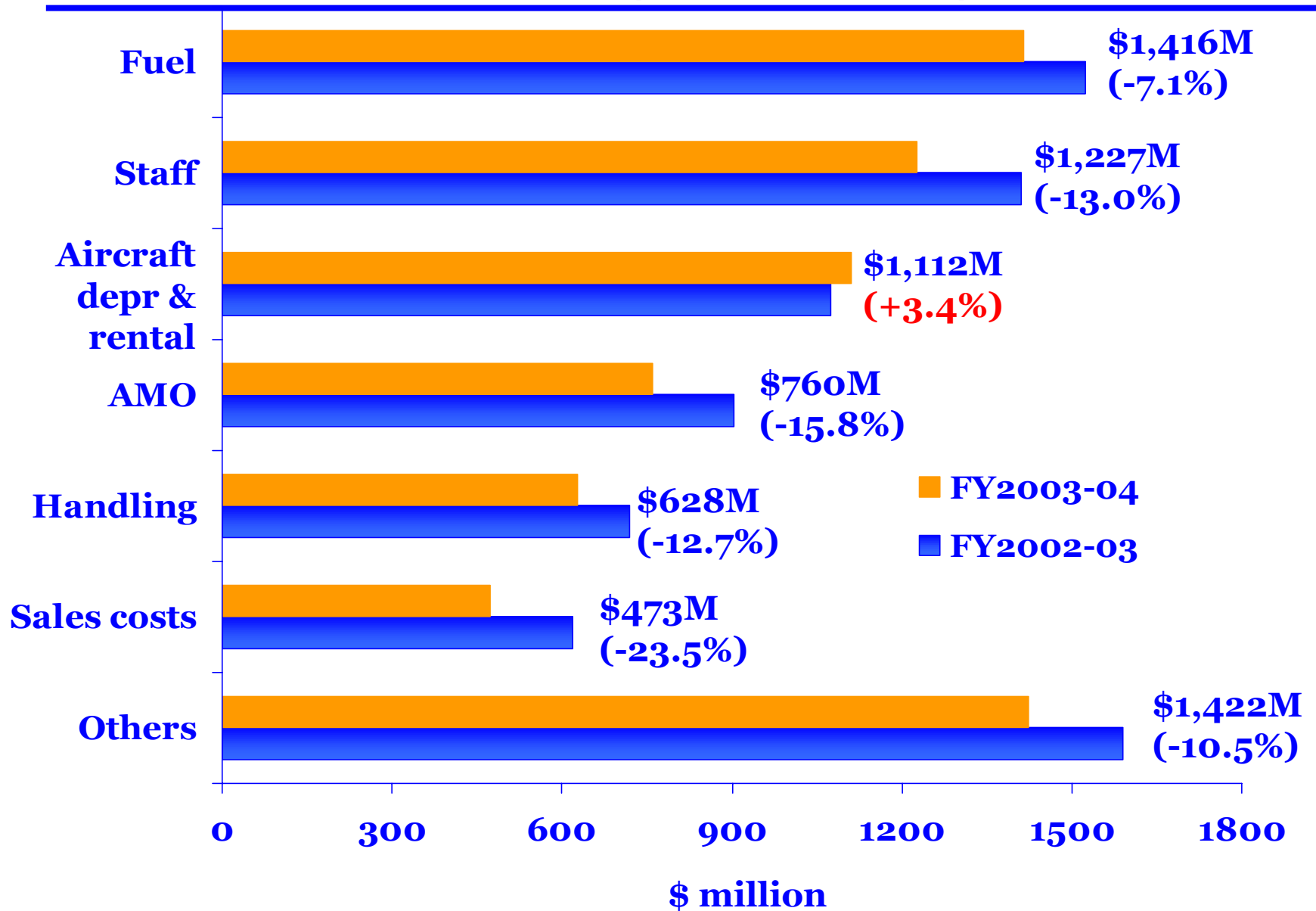
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Total Revenue	7,187.6	8,047.0	- 10.7
	6,108.0	6,092.1	+ 0.3
Total Expenditure	(7,037.4)	(7,838.0)	- 10.2
	(5,514.9)	(6,000.4)	- 8.1
Operating Profit	150.2	209.0	- 28.1
	593.1	91.7	n.m.
Net Profit	429.3	618.0	- 30.5
	775.9	281.4	n.m.

THE AIRLINE COMPANY – FY03/04 COST COMPOSITION



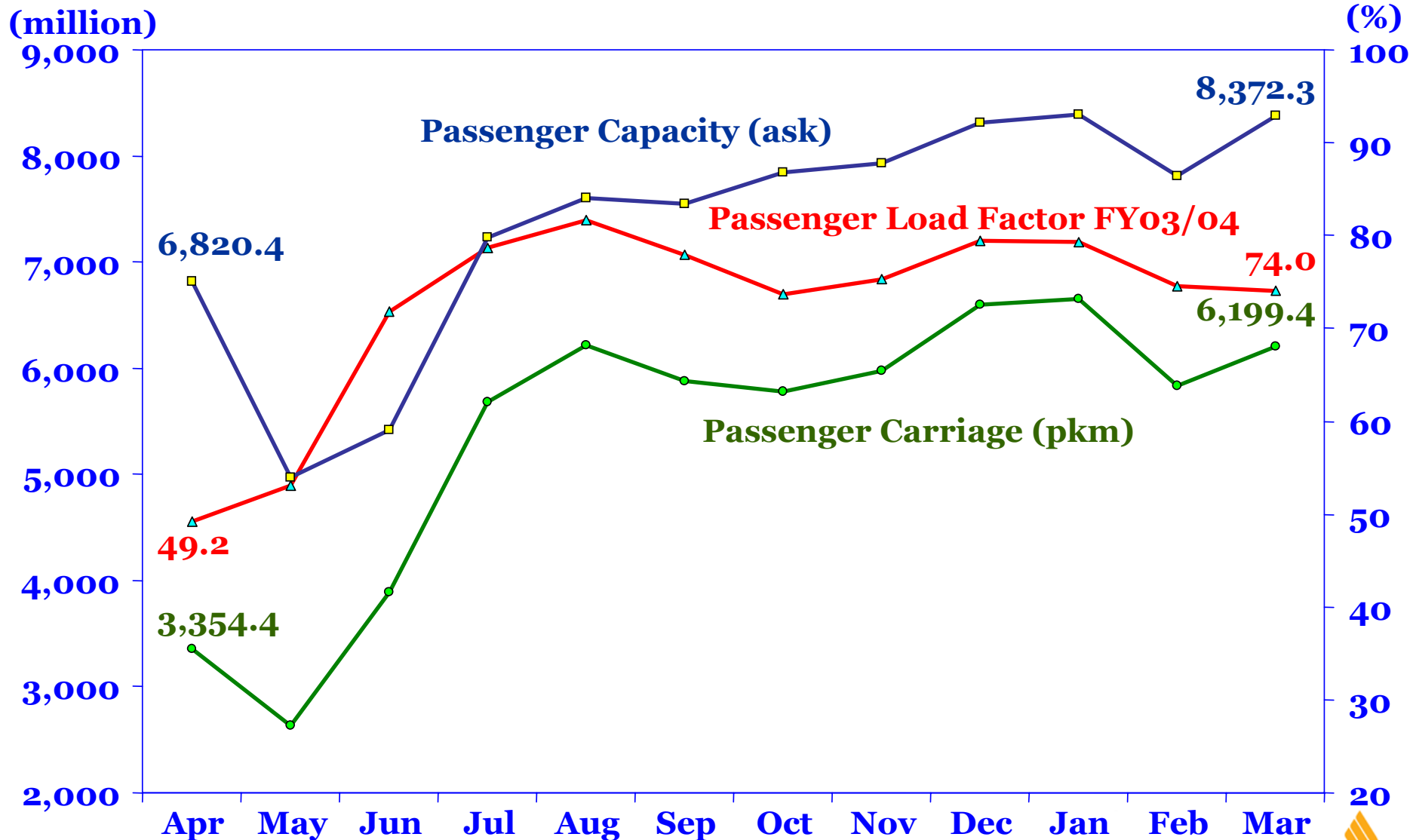
THE AIRLINE COMPANY – COST ANALYSIS FY03/04 vs FY02/03



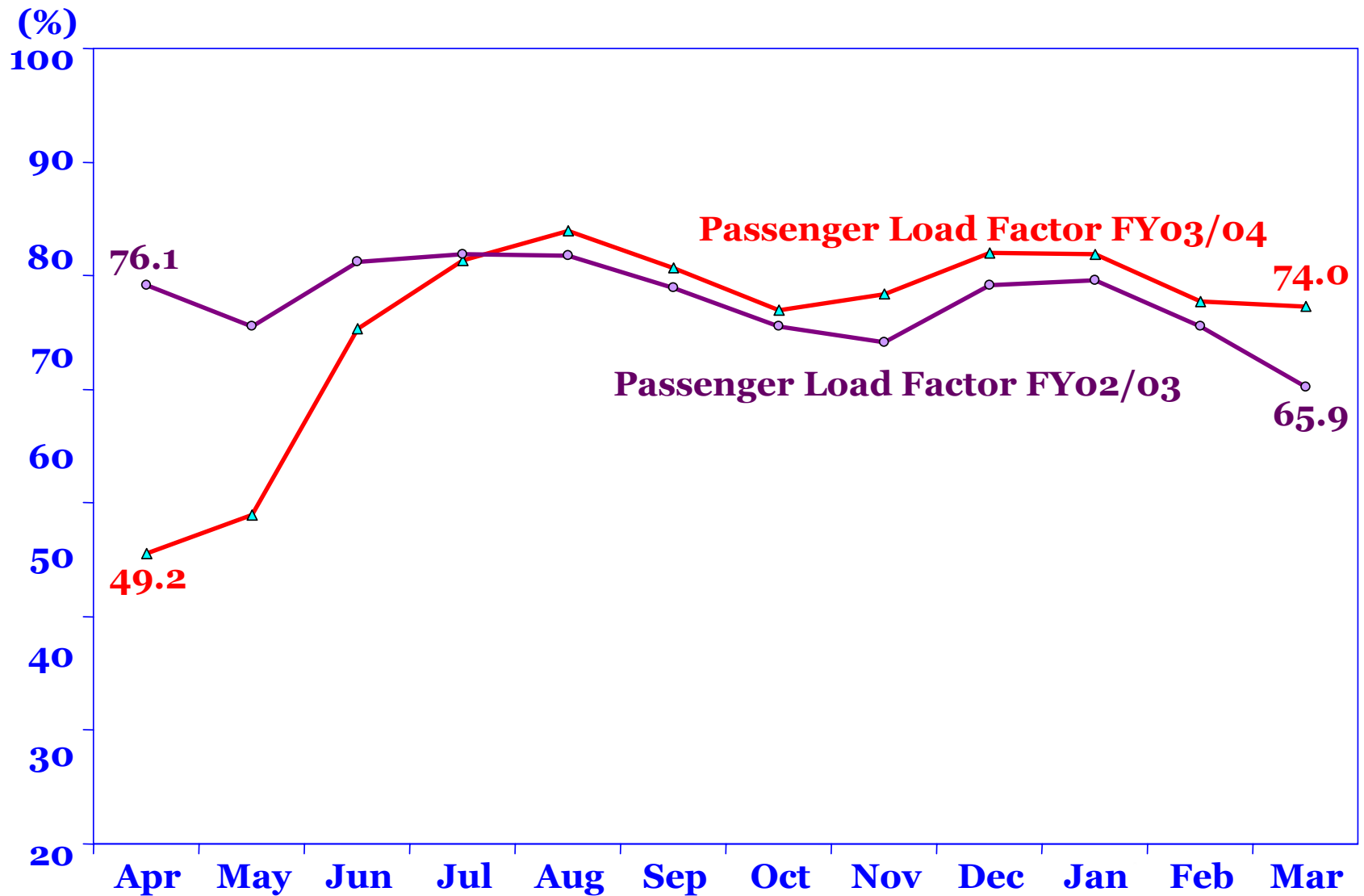
THE AIRLINE COMPANY OPERATING PERFORMANCE – FY03/04 vs FY02/03

	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>	
Seat Capacity (M ask)	88,252.7	99,565.9	-	11.4
Passenger Carriage (M pkm)	64,685.2	74,183.2	-	12.8
Passenger Load Factor (%)	73.3	74.5	-	1.2 pts

PASSENGER CAPACITY, PASSENGER CARRIAGE & PASSENGER LOAD FACTOR - FY03/04



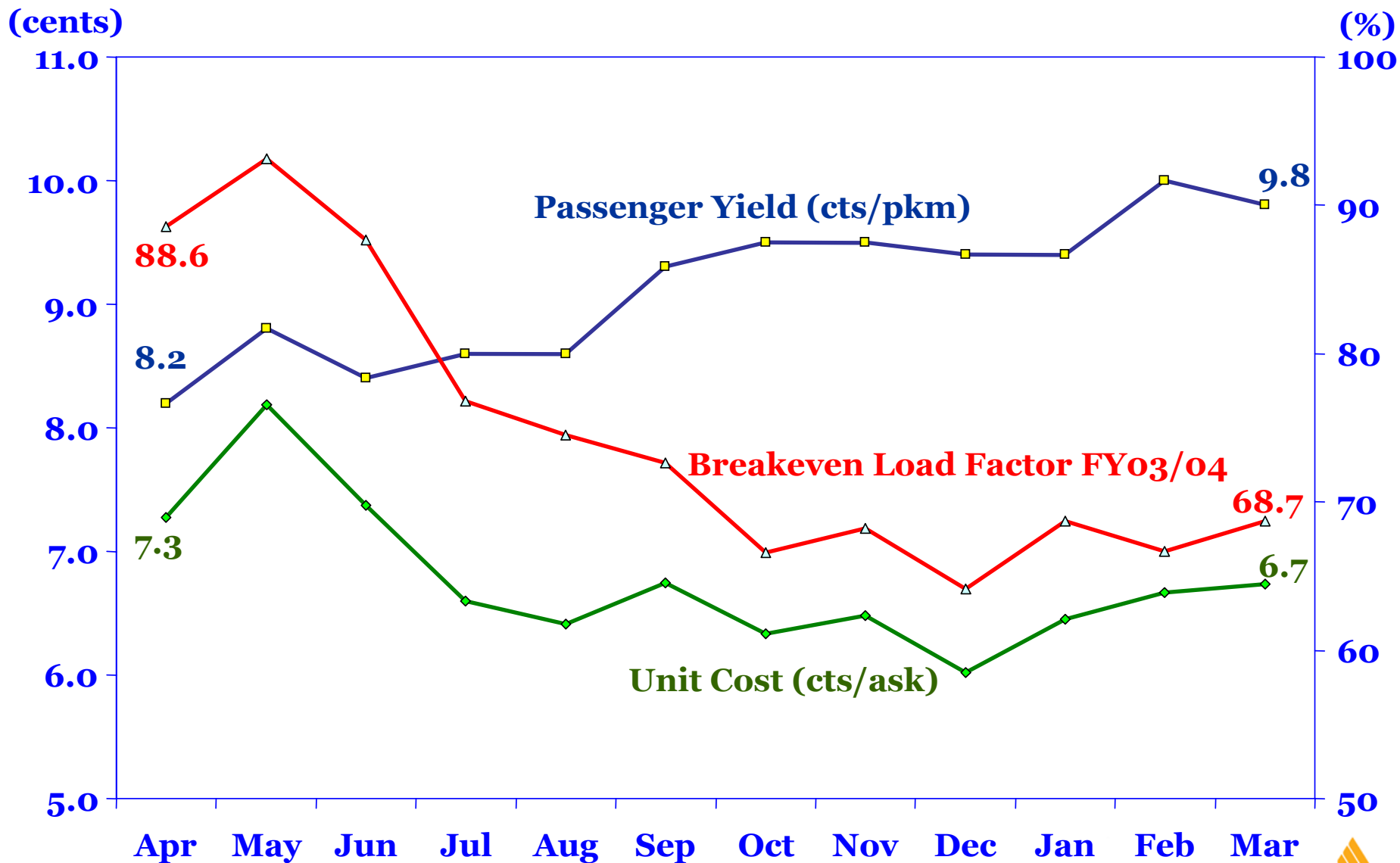
PASSENGER LOAD FACTOR



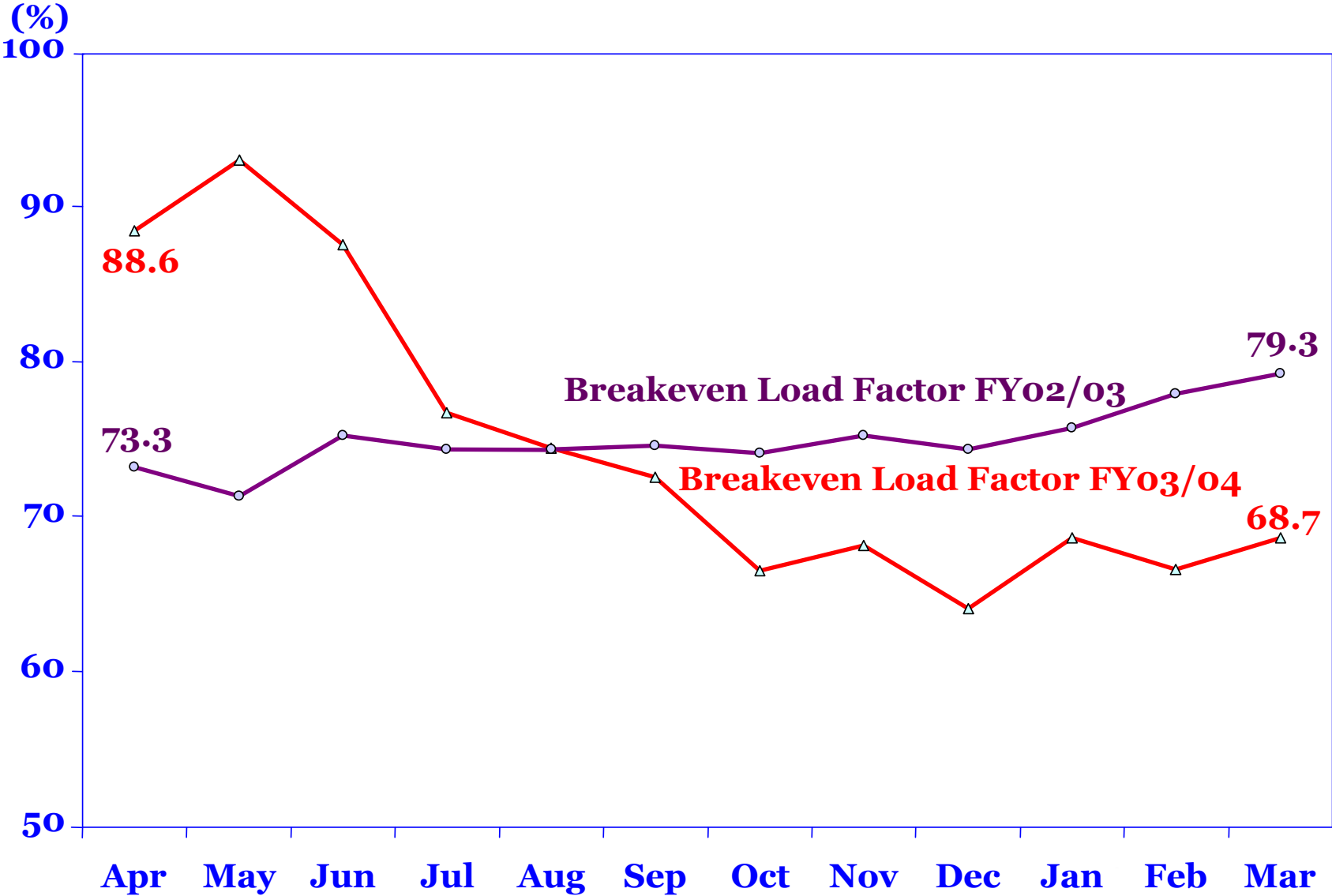
THE AIRLINE COMPANY OPERATING PERFORMANCE – FY03/04 vs FY02/03

	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>	
Passenger Yield (¢/pkm)	9.2	9.1	+	1.1
Unit Yield (¢/ask)	6.8	6.8		-
Unit Cost (¢/ask)	6.7	6.7		-
Passenger Breakeven Load Factor (%)	72.8	73.6	-	0.8 pt

PASSENGER YIELD, UNIT COST & BREAKEVEN LOAD FACTOR – FY03/04



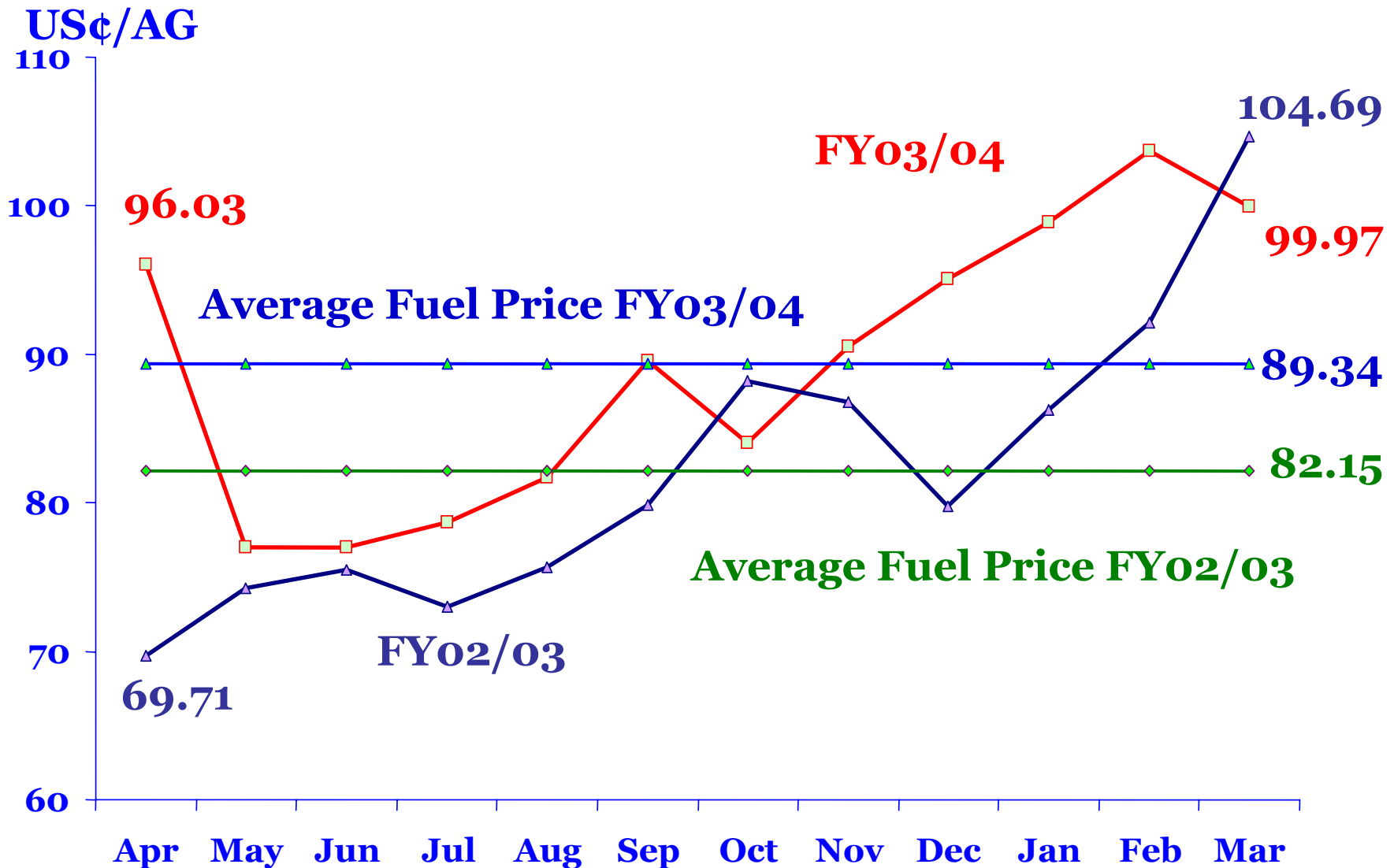
BREAKEVEN LOAD FACTOR



THE AIRLINE COMPANY – OPERATING PERFORMANCE

	Apr03- Jun03	Jul03- Mar04	Jul02- Mar03
Passenger Load Factor (%)	57.4	77.1	74.2
Passenger Yield (¢/pkm)	8.4	9.4	9.1
Unit Cost (¢/ask)	7.4	6.5	6.8
Passenger Breakeven Load Factor (%)	88.1	69.1	74.7

FUEL PRICE (INDEPENDENT OF HEDGING)



FUEL PRICE ANALYSIS

\$107.4 million reduction in fuel costs (after hedging) :

	\$ million
12.9% decrease in volume uplifted	- 202.6
9.8% increase in weighted average fuel price	+ 134.6
2.6% weakening of USD against SGD	- 39.9
Lower hedging gain	+ 0.5
	<hr/> - 107.4 <hr/>

SUBSIDIARIES OPERATING PROFIT – FY03/04 vs FY02/03 (\$million)

	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
SIA Cargo	201.6	62.9	n.m.
SATS Group	190.8	228.2	- 16.4
SIAEC Group	78.9	141.0	- 44.0
SilkAir	16.0	27.1	- 41.1
Others	18.2	13.9	+ 30.9
Total	505.5	473.1	+ 6.8

SIA CARGO RESULTS – FY03/04 vs FY02/03 (\$million)

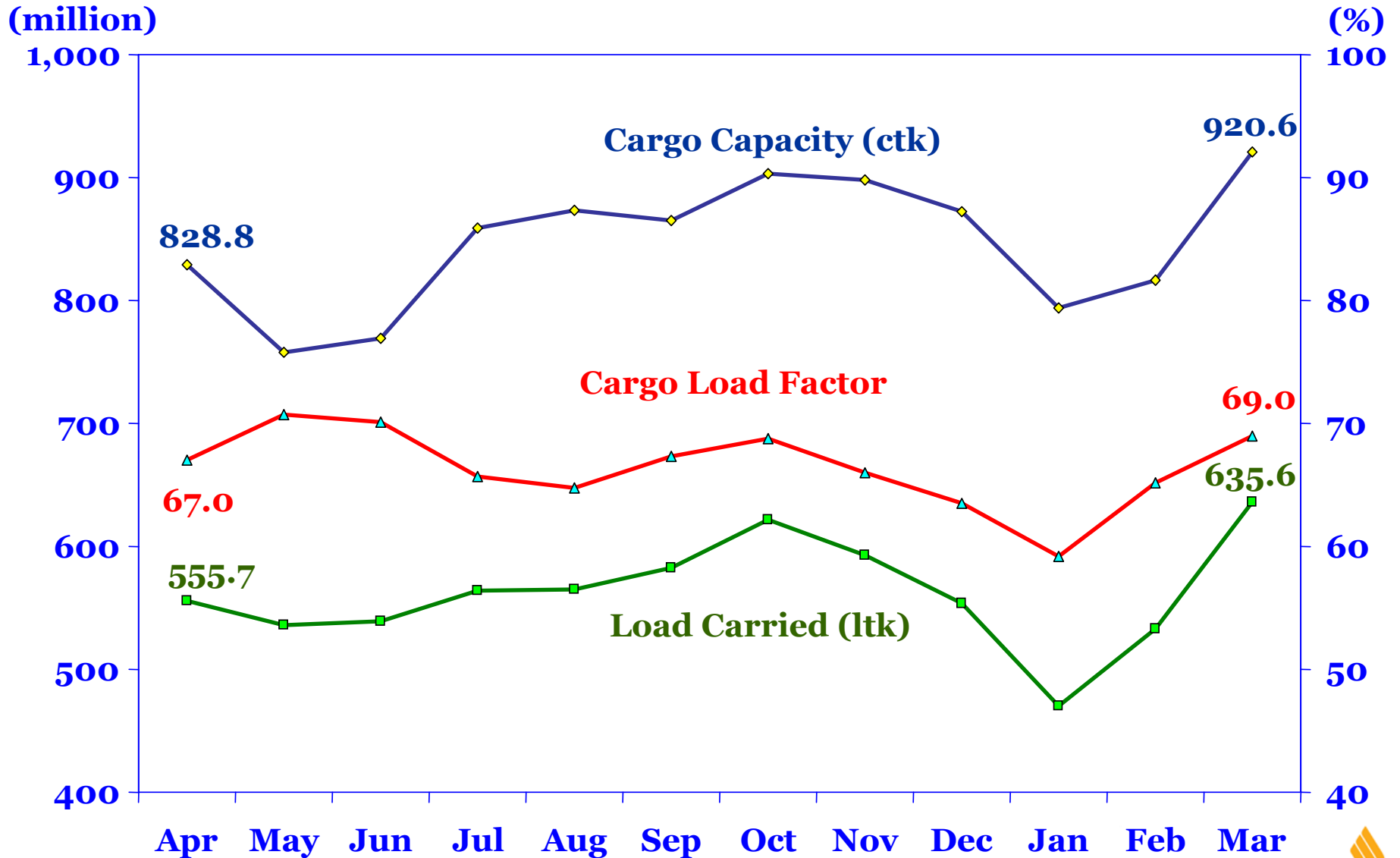
	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
Total Revenue	2,654.4	2,520.5	+ 5.3
Total Expenditure	(2,452.8)	(2,457.6)	- 0.2
Operating Profit	201.6	62.9	n.m.
Net Profit	175.9	66.6	n.m.

SIA CARGO OPERATING PERFORMANCE

– FY03/04 vs FY02/03

	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
Capacity (M ctk)	10,156.5	9,927.1	+ 2.3
Load Carried (M ltk)	6,749.4	6,913.6	- 2.4
Cargo Load Factor (%)	66.5	69.6	- 3.1 pts

CARGO CAPACITY, LOAD CARRIED & CARGO LOAD FACTOR – FY03/04



SIA CARGO OPERATING PERFORMANCE – FY03/04 vs FY02/03

	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>	
Cargo Yield (¢/ltk)	36.7	34.2	+	7.3
Unit Cost (¢/ctk)	23.0	23.9	-	3.8
Breakeven Load Factor (%)	62.7	69.9	-	7.2 pts

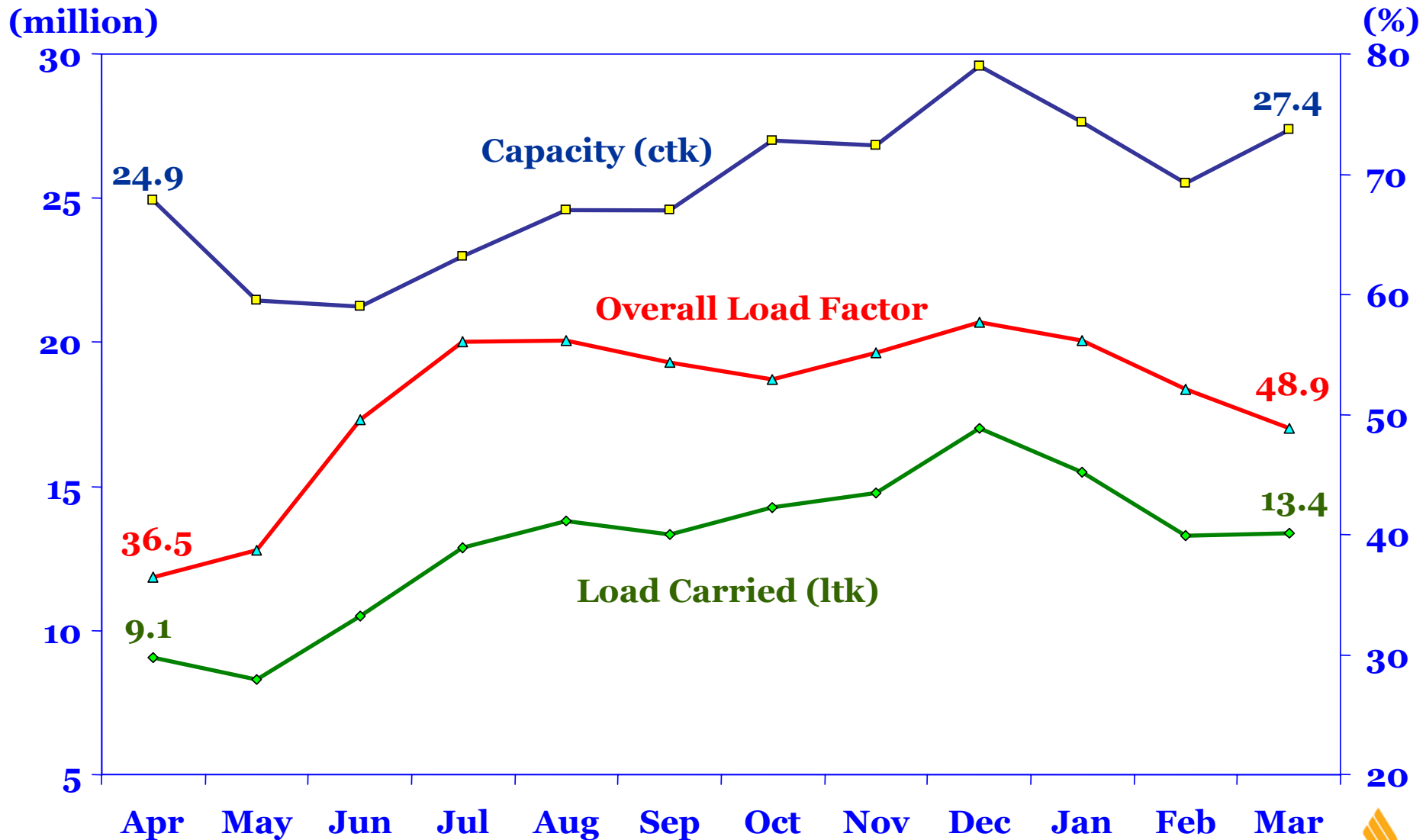
SILKAIR RESULTS – FY03/04 vs FY02/03 (S\$million)

	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
Total Revenue	226.8	254.1	- 10.7
Total Expenditure	(210.8)	(227.0)	- 7.1
Operating Profit	16.0	27.1	- 41.1
Net Profit	15.7	31.6	- 50.4

SILKAIR OPERATING PERFORMANCE – FY03/04 vs FY02/03

	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>	
Capacity (M ctk)	303.7	329.7	-	7.9
Load Carried (M ltk)	156.2	165.4	-	5.6
Overall Load Factor (%)	51.4	50.2	+	1.2 pts

CAPACITY, LOAD CARRIED & OVERALL LOAD FACTOR – FY03/04



DEVELOPMENTS

- **New Collective Agreements**
- **Re-Fleeting Plans**
- **Capital Expenditure for Next 5 Years**

CAPITAL EXPENDITURE FOR NEXT 5 YEARS (\$ million)

	<u>FY04/05</u>	<u>FY05/06</u>	<u>FY06/07</u>	<u>FY07/08</u>	<u>FY08/09</u>
Aircraft	1,488	2,343	3,415	4,371	2,254
Other Assets	200	200	200	200	200
Total	1,688	2,543	3,615	4,571	2,454

OUTLOOK

- **Passenger Network Expansion**
- **Passenger Fleet Changes**
- **Group Fuel Hedging Position**

PASSENGER NETWORK EXPANSION – FY03/04

- **New Services**
 - **Non-stop service to New York with A340-500 in June 04**
 - **To Ahmedabad in July 04**

PASSENGER NETWORK EXPANSION – FY03/04

Frequency increases	2003-04 (x wkly)	2004-05 (x wkly)
- Brisbane	14	17
- Guangzhou	5	7
- Ho Chi Minh City	11	12
- Melbourne	17	19
- Seoul	22	25

- **60 destinations, 33 countries by March 2005**

PASSENGER FLEET CHANGES

	<u>2004-05</u>	<u>2005-06</u>
At 1 April	85	89
New Deliveries	<ul style="list-style-type: none">• 2 A340-500s• 5 B777s	<ul style="list-style-type: none">• 2 A380-800s• 1 B777
De-commissioning of Aircraft	<ul style="list-style-type: none">• 3 B747-400s	<ul style="list-style-type: none">• 3 B747-400s
At 31 March	89	89

GROUP FUEL HEDGING POSITION – FY04/05

- **Budgeted Volume (M AG)** **1,441**
- **Hedging Target (%)** **50**
- **Percentage Hedged (%)** **33**
- **Weighted Maximum Hedged Price (US¢/AG)** **76.99**
- **Current Fuel Price (US¢/AG)** **110.12**

Q & A