



Half Year and 2nd Quarter FY2005-06 Financial Results 27 October 2005

Singapore Airlines Limited *Company Registration No.: 197200078R*

Further information and media releases can be found at the Singapore Airlines internet website www.singaporeair.com.sg



SIA GROUP 1H 2005/06 RESULTS

GROUP HIGHLIGHTS

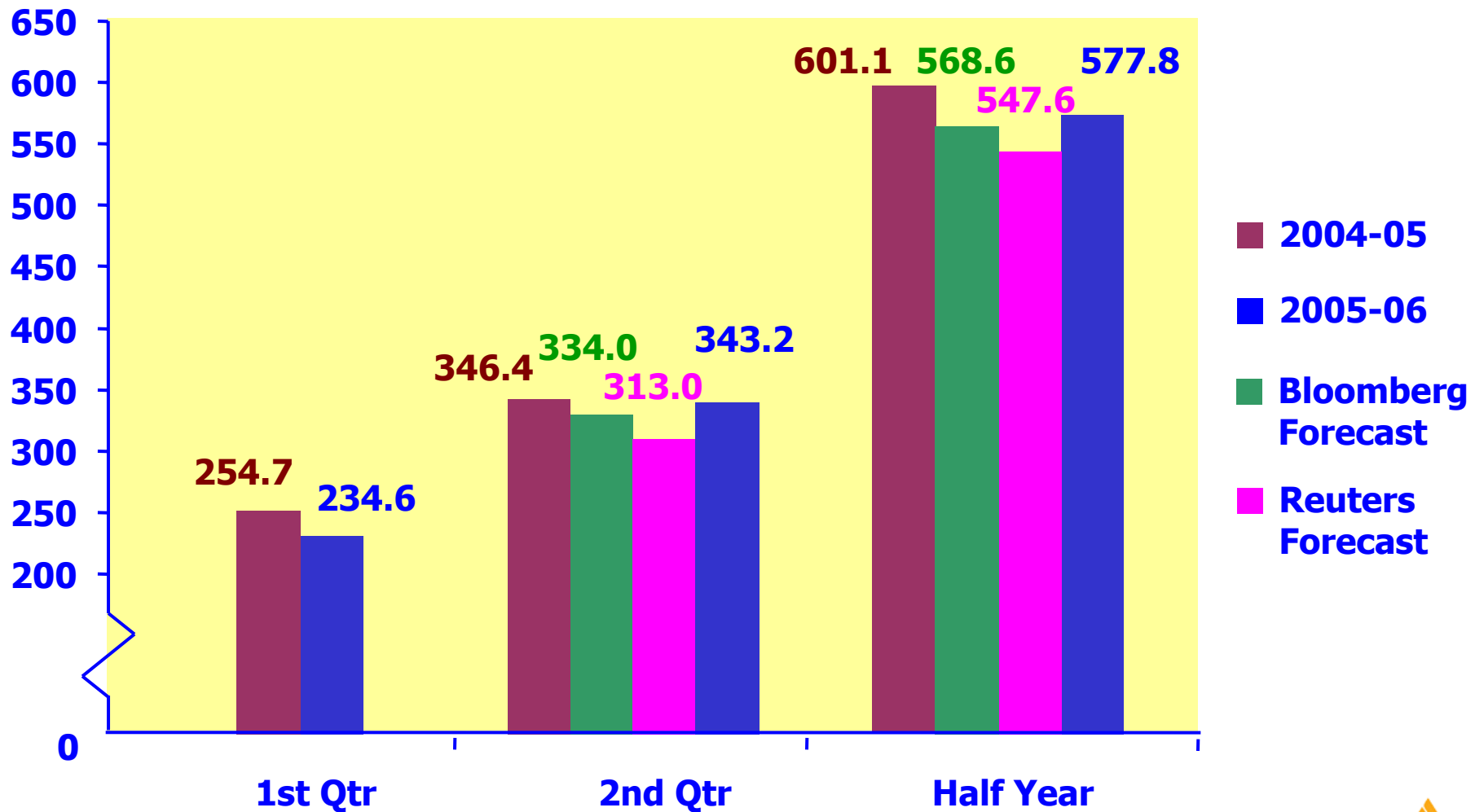
– 1H FY05/06

Highlights of Group's Performance

- **Record revenue \$6,395 million (+10.7%)**
- **Operating profit \$584 million (-6.3%)**
- **Net profit \$578 million (-3.9%)**
- **Earnings per share 47.4 cents (-3.9%)**
- **Interim dividend per share 10.0 cents (unchanged)**

GROUP PROFIT ATTRIBUTABLE TO SHAREHOLDERS – 1H FY05/06 (\$ million)

(\$ million)



GROUP RESULTS

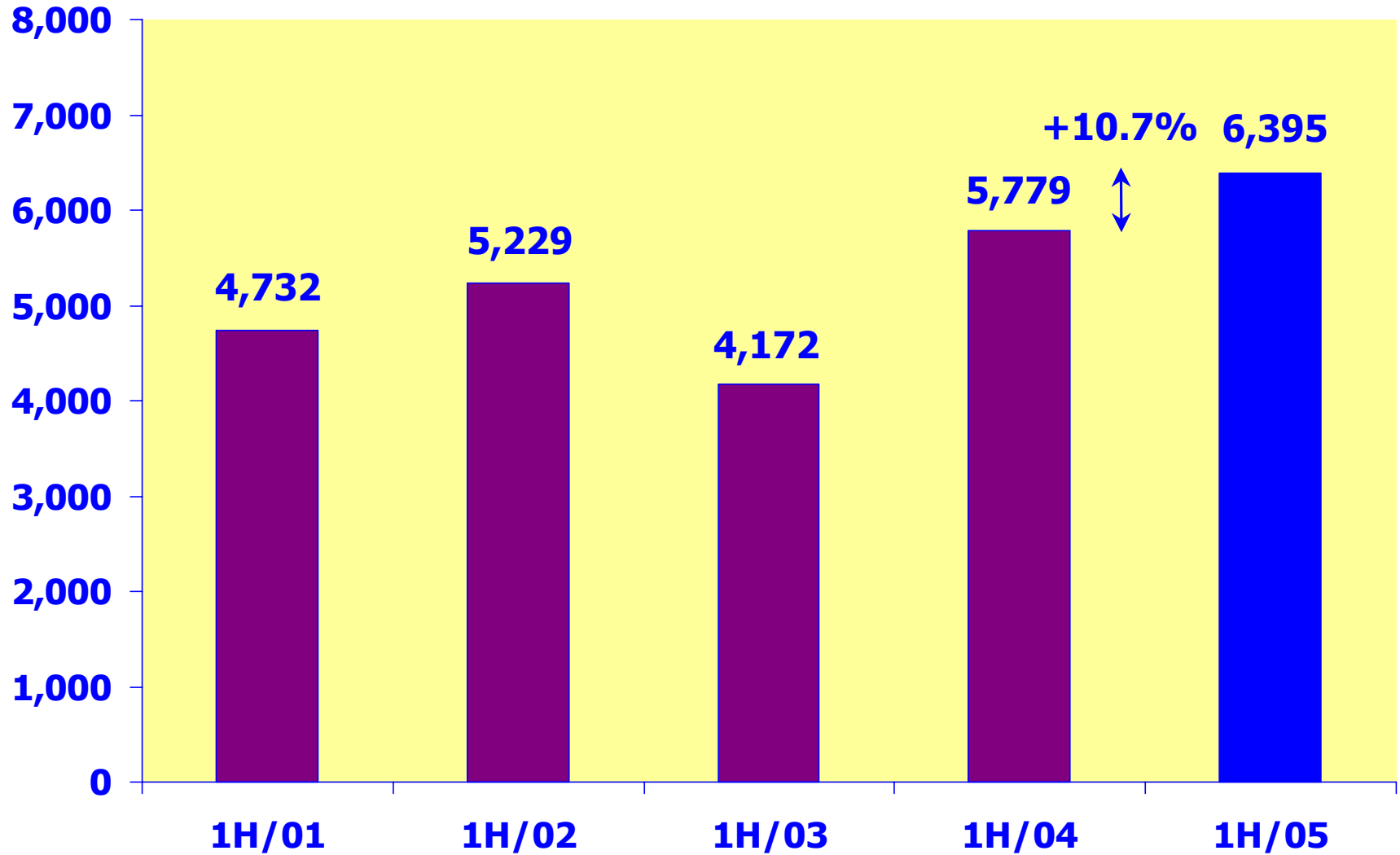
– 1H FY05/06 (\$ million)

	<u>1H/05</u>	<u>1H/04</u>	<u>% Change</u>
Total Revenue	6,394.7	5,778.8	+ 10.7
Total Expenditure	(5,811.0)	(5,156.0)	+ 12.7
Operating Profit	583.7	622.8	- 6.3
Net Profit Attributable to Shareholders	577.8	601.1	- 3.9

GROUP REVENUE

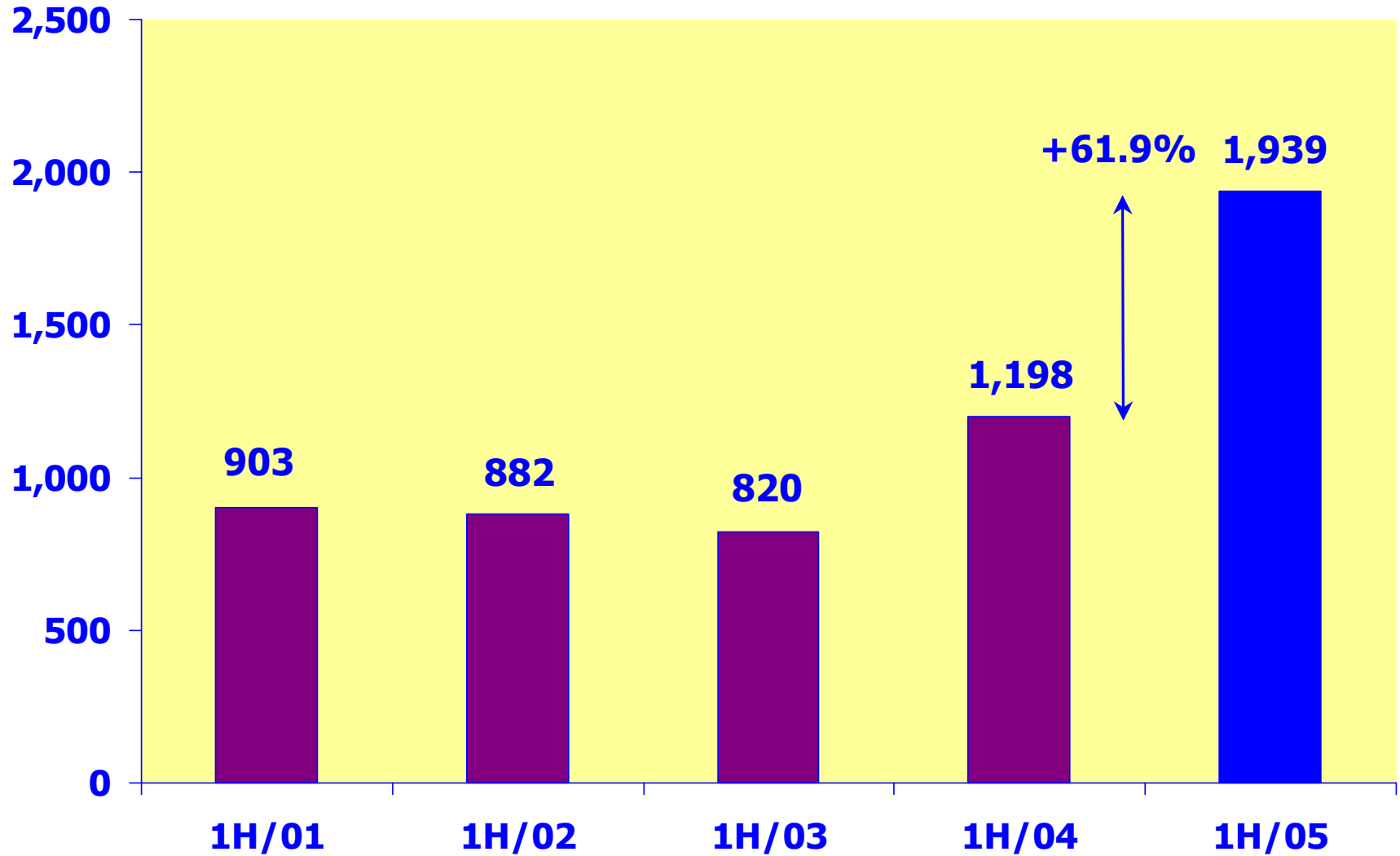
– 1H FY05/06 (\$ million)

(\$ million)



GROUP FUEL EXPENDITURE – 1H FY05/06 (\$ million)

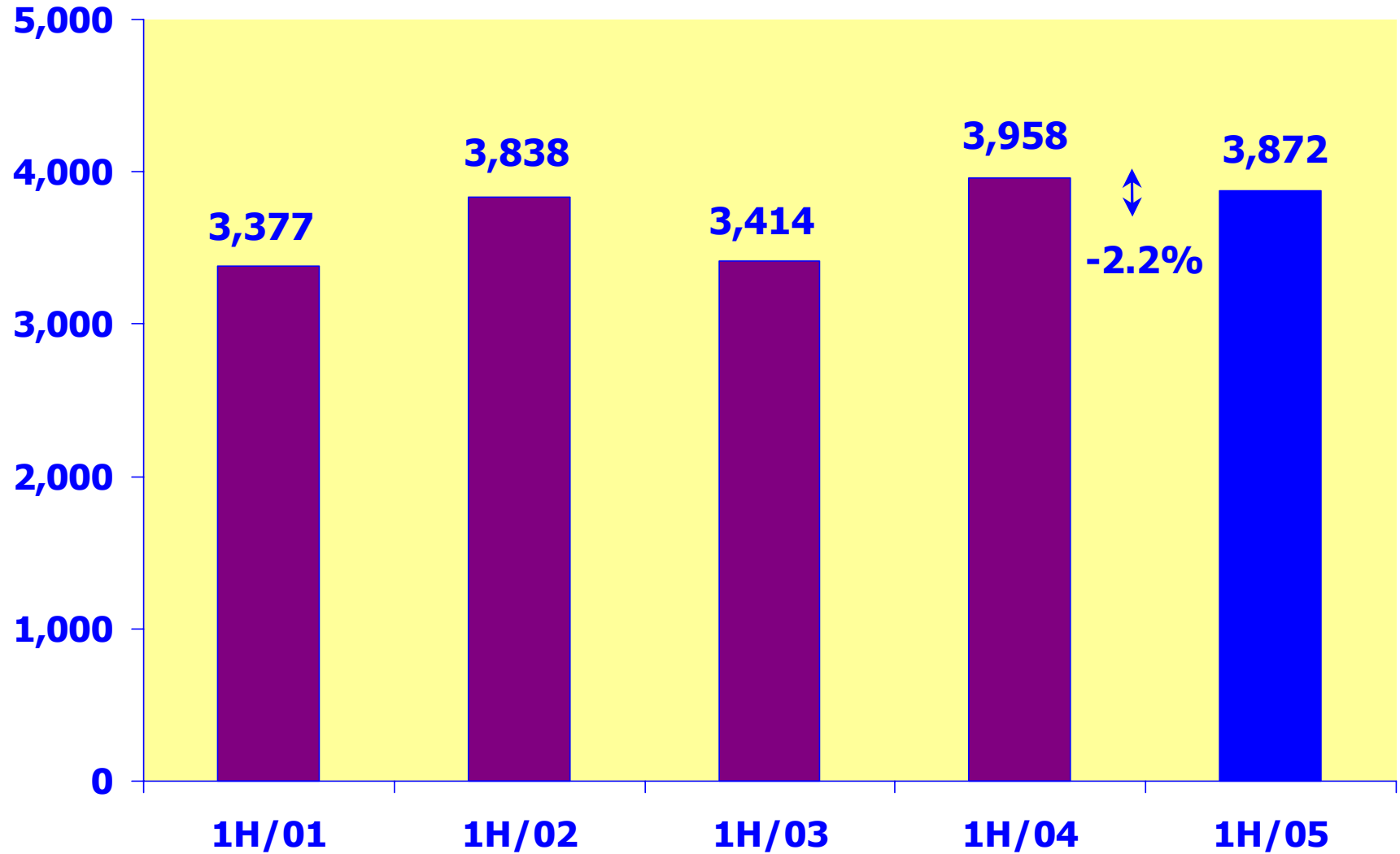
(\$ million)



GROUP EX-FUEL EXPENDITURE

– 1H FY05/06 (\$ million)

(\$ million)

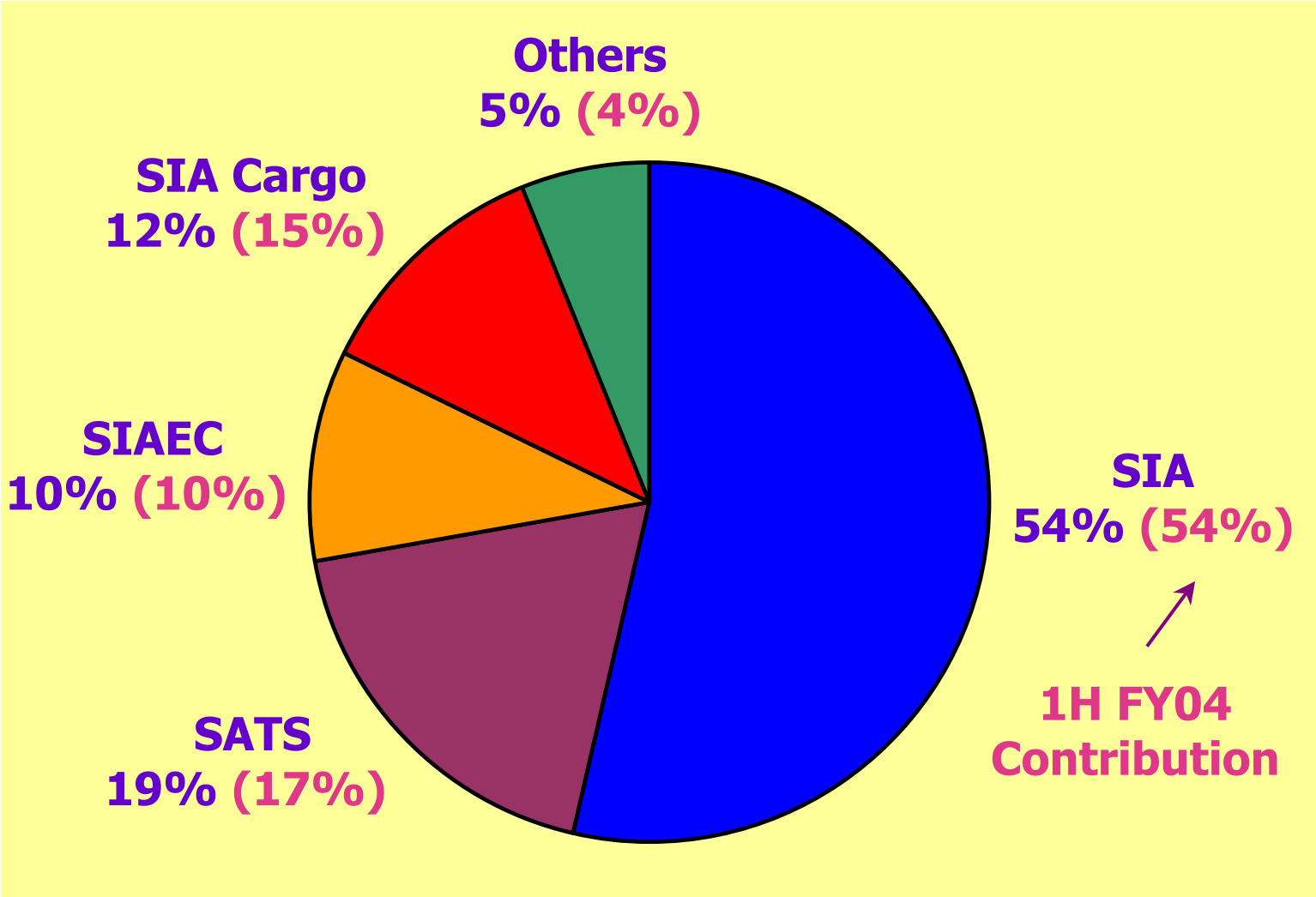


GROUP RESULTS

– 1H FY05/06

	<u>At 30 Sep 05</u>	<u>At 31 Mar 05</u>
Net Asset Value Per Share (\$)	10.58	10.14
Total Debt/Equity	0.18:1	0.19:1

CONTRIBUTION TO GROUP OPERATING PROFIT – 1H FY05/06





THE PARENT AIRLINE 1H 2005/06 RESULTS

THE PASSENGER AIRLINE COMPANY

RESULTS – 1H FY05/06 (\$ million)

	<u>1H/05</u>	<u>1H/04</u>	<u>% Change</u>
Total Revenue	4,978.3	4,449.0	+ 11.9
Total Expenditure	(4,665.6)	(4,112.4)	+ 13.5
Operating Profit	312.7	336.6	- 7.1

THE PASSENGER AIRLINE COMPANY

OPERATING PERFORMANCE – 1H FY05/06

	<u>1H/05</u>	<u>1H/04</u>	<u>% Change</u>	
Passenger Yield (¢/pkm)	10.4	9.9	+	5.1
Unit Yield (¢/ask)	7.7	7.3	+	5.5
Unit Cost (¢/ask)	7.2	6.8	+	5.9
Passenger Breakeven Load Factor (%)	69.2	68.7	+	0.5 pt

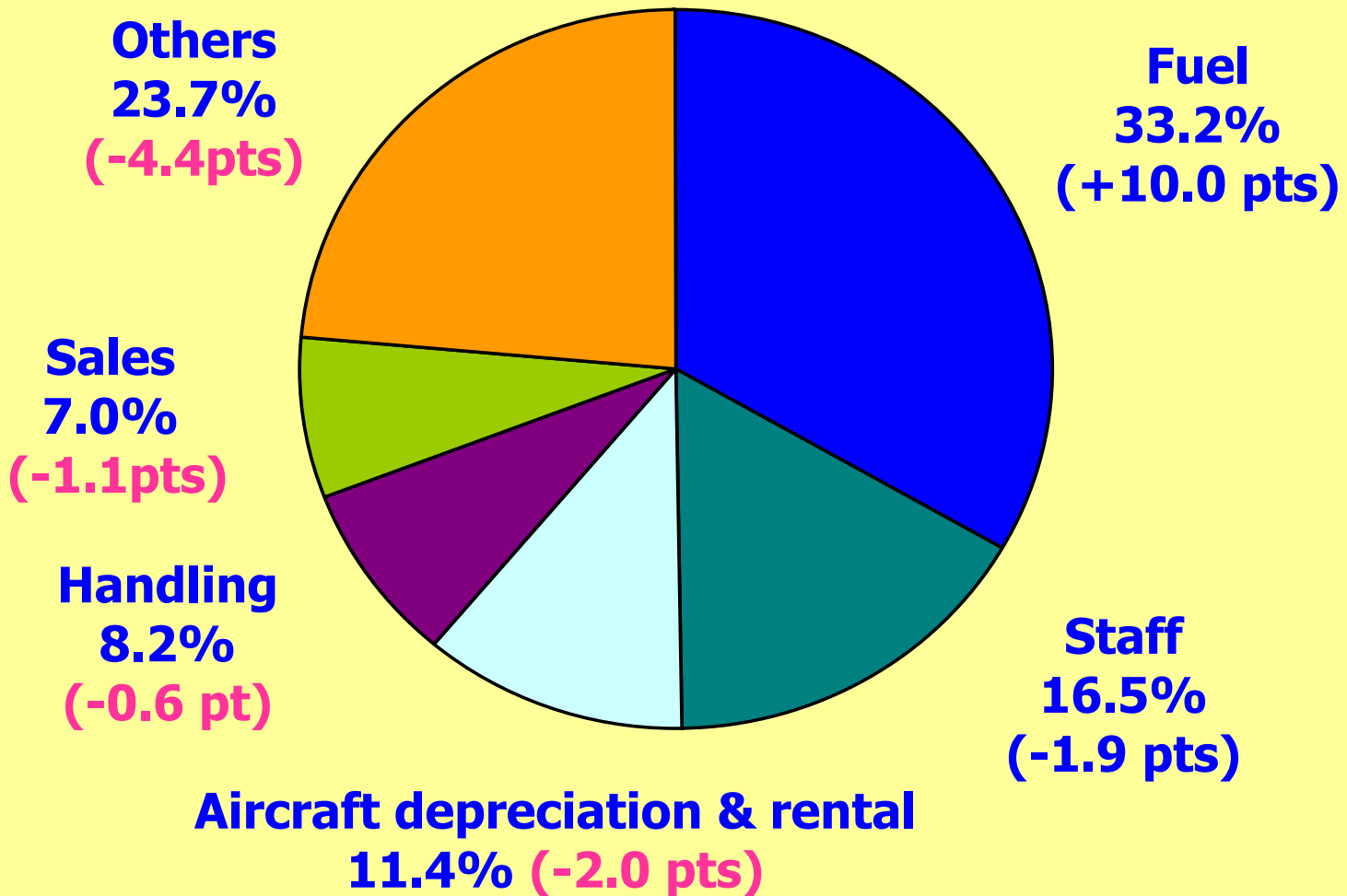
THE PASSENGER AIRLINE COMPANY

OPERATING PERFORMANCE – 1H FY05/06

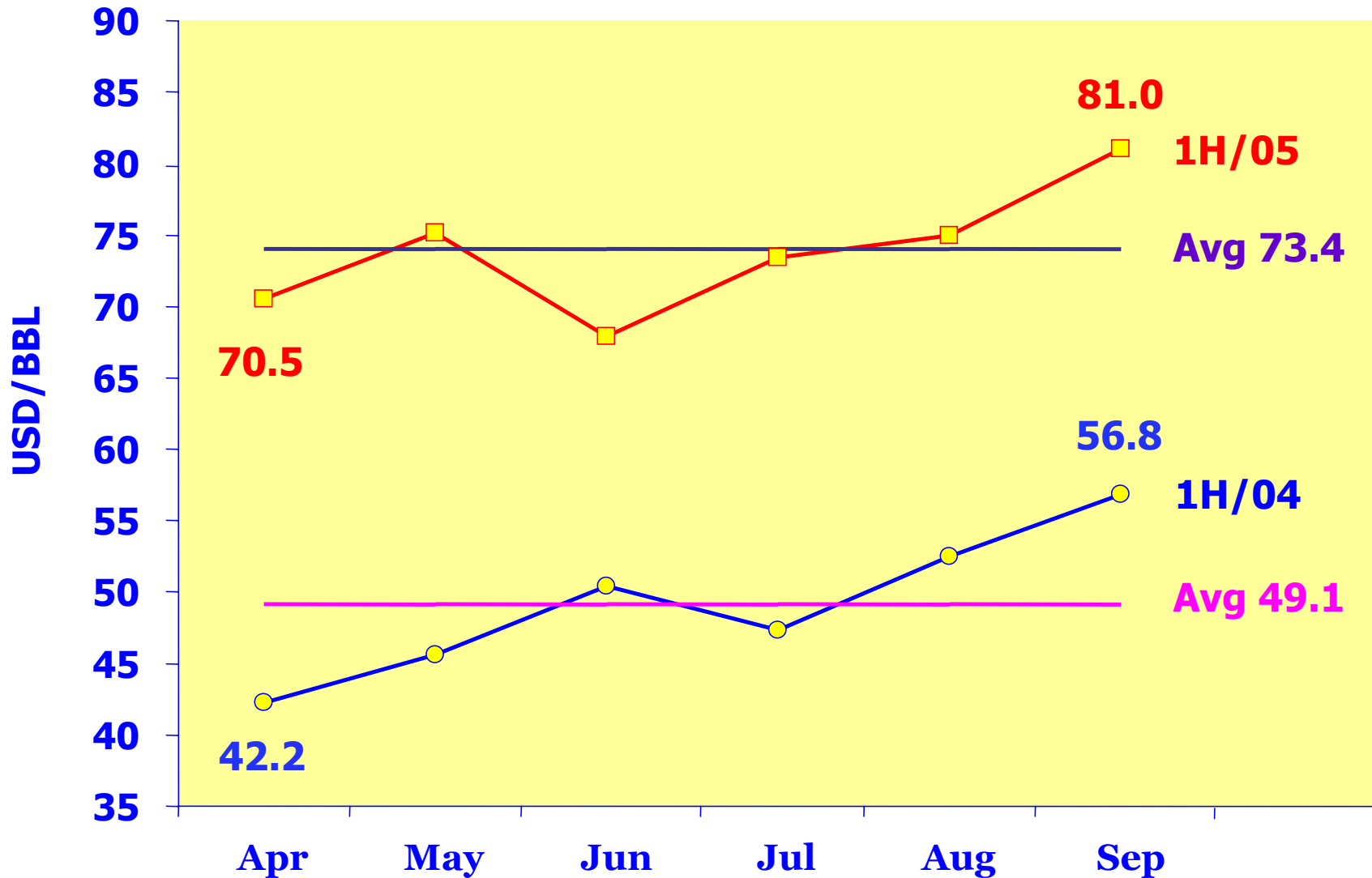
	<u>1H/05</u>	<u>1H/04</u>	<u>% Change</u>
Seat Capacity			+ 6.1
Passenger Carriage			+ 6.7
Passenger Load Factor (%)	74.3	73.9	+ 0.4 pt
Passenger Breakeven Load Factor (%)	69.2	68.7	+ 0.5 pt
Passenger Load Factor Spread (%)	5.1 pts	5.2 pts	- 0.1 pt

THE PASSENGER AIRLINE COMPANY

COST COMPOSITION – 1H FY05/06

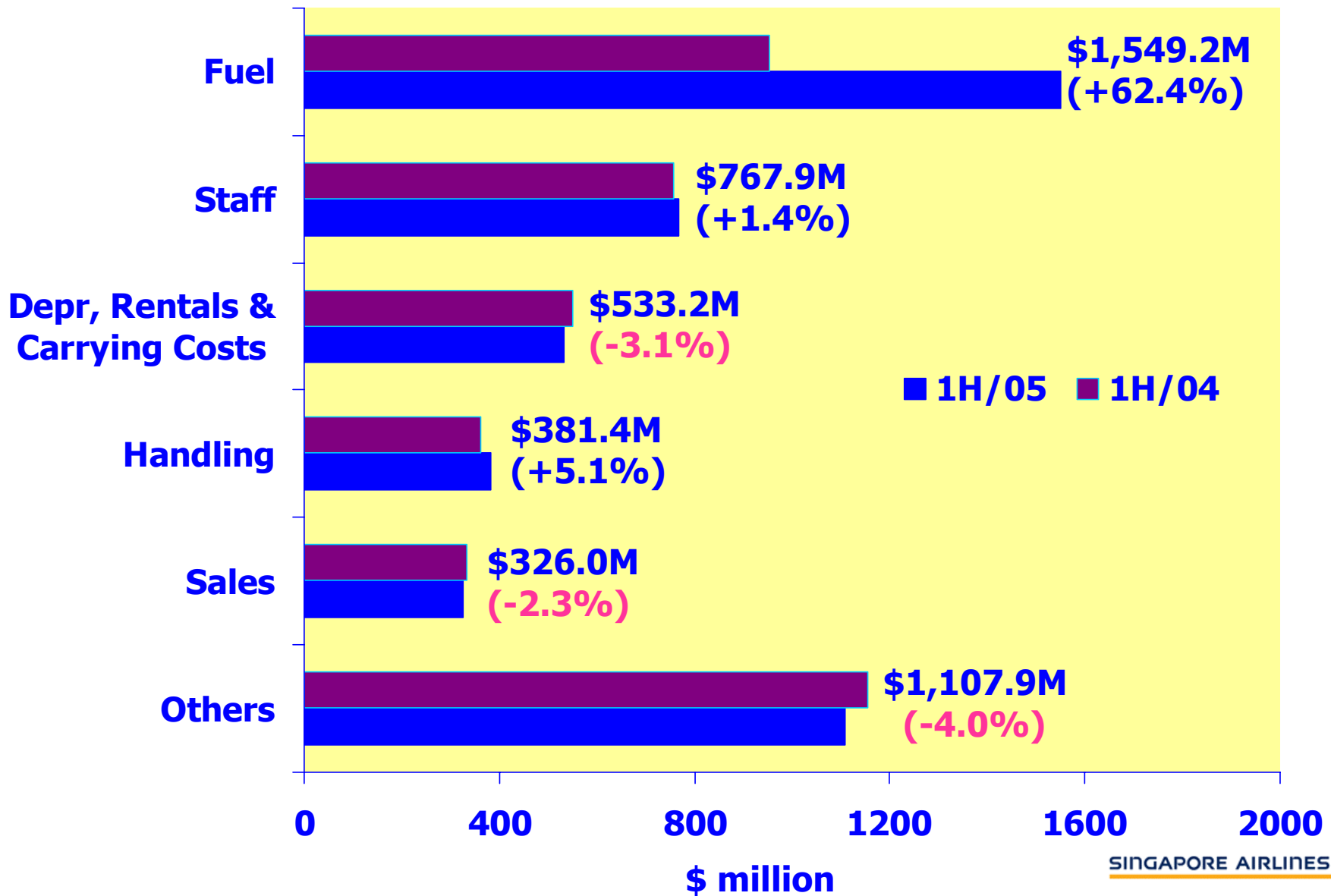


FUEL PRICE – 1H FY05/06



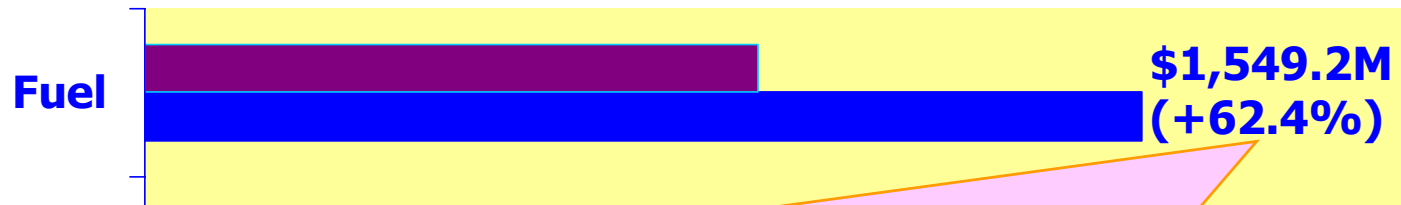
THE PASSENGER AIRLINE COMPANY

COST ANALYSIS – 1H FY05/06



THE PASSENGER AIRLINE COMPANY

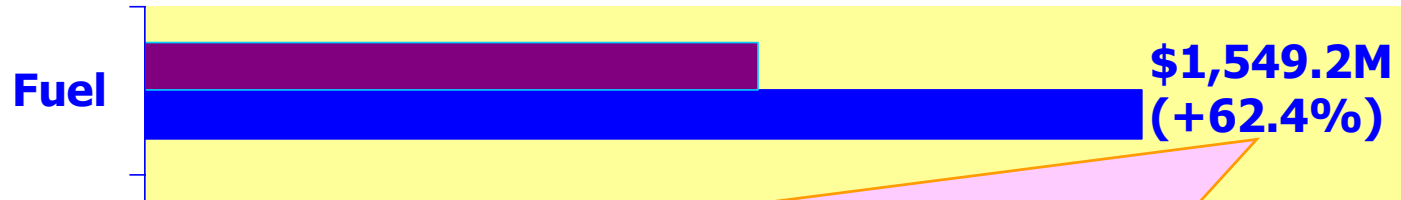
COST ANALYSIS – 1H FY05/06



	<u>1H/05</u>	<u>1H/04</u>	<u>Better/Worse</u>
Fuel cost	1,714 M	1,109 M	605 M
Hedging (gain)/loss	(165) M	(155) M	10 M
Fuel cost (net)	1,549 M	954 M	595 M

THE PASSENGER AIRLINE COMPANY

COST ANALYSIS – 1H FY05/06



	<u>1H/05</u>	<u>1H/04</u>	<u>Better/Worse</u>
Fuel cost	1,714 M	1,109 M	605 M

Increase in volume uplifted	+ 58 M
Weakening of USD against SGD	- 38 M
Increase in weighted average fuel price	+ 585 M
	+ 605 M

THE PASSENGER AIRLINE COMPANY

COST ANALYSIS – 1H FY05/06



	<u>1H/05</u>	<u>1H/04</u>	<u>Better/Worse</u>
Fuel cost	1,714 M	1,109 M	605 M

Increase in volume uplifted + **58 M**

Weakening of USD against SGD - **38 M**

Increase in weighted average fuel price + **585 M**

Recovery of increase in fuel bill due to price increase **40%**



SIA SUBSIDIARIES 1H 2005/06 RESULTS

SUBSIDIARIES NET PROFIT

– 1H FY05/06 (\$ million)

	<u>1H/05</u>	<u>1H/04</u>	<u>% Change</u>
SIA Cargo	45.0	69.5	- 35.3
SATS Group	106.8	78.4	+ 36.2
SIAEC Group	105.6	85.4	+ 23.7
SilkAir	(2.5)	2.8	n.m.

SIA CARGO RESULTS

– 1H FY05/06 (\$million)

	<u>1H/05</u>	<u>1H/04</u>	<u>% Change</u>
Total Revenue	1,530.4	1,376.0	+ 11.2
Total Expenditure	(1,463.2)	(1,281.1)	+ 14.2
Operating Profit	67.2	94.9	- 29.2
Net Profit	45.0	69.5	- 35.3

SIA CARGO OPERATING PERFORMANCE

– 1H FY05/06

	<u>1H/05</u>	<u>1H/04</u>	<u>% Change</u>
Cargo Yield (¢/ltk)	37.8	34.7	+ 8.9
Unit Cost (¢/ctk)	22.6	21.1	+ 7.1
Breakeven Load Factor (%)	59.8	60.8	- 1.0 pt

SIA CARGO OPERATING PERFORMANCE

– 1H FY05/06

	<u>1H/05</u>	<u>1H/04</u>	<u>% Change</u>
Capacity			+ 7.8
Load Carried			+ 4.3
Cargo Load Factor (%)	61.8	63.9	- 2.1 pts
Breakeven Load Factor (%)	59.8	60.8	- 1.0 pt
Cargo Load Factor Spread (%)	2.0 pts	3.1 pts	- 1.1 pts

SILKAIR RESULTS

– 1H FY05/06 (\$ million)

	<u>1H/05</u>	<u>1H/04</u>	<u>% Change</u>
Total Revenue	146.0	132.5	+ 10.2
Total Expenditure	(149.6)	(126.6)	+ 18.2
Operating Profit	(3.6)	5.9	n.m.
Net Profit	(2.5)	2.8	n.m.

SILKAIR OPERATING PERFORMANCE

– 1H FY05/06

	<u>1H/05</u>	<u>1H/04</u>	<u>% Change</u>	
Overall Yield (¢/ltk)	131.0	127.2	+	3.0
Overall Unit Cost (¢/ctk)	70.1	65.1	+	7.7
Overall Breakeven Load Factor (%)	53.5	51.2	+	2.3 pts

SILKAIR OPERATING PERFORMANCE

– 1H FY05/06

	<u>1H/05</u>	<u>1H/04</u>	<u>% Change</u>
Capacity			+ 10.0
Load Carried			+ 8.1
Overall Load Factor (%)	51.2	52.1	- 0.9 pt
Overall Breakeven Load Factor (%)	53.5	51.2	+ 2.3 pts
Overall Load Factor Spread (%)	-2.3 pts	0.9 pt	- 3.2 pts



OUTLOOK & DEVELOPMENTS

OUTLOOK

- **Fuel Price**
- **Forward Bookings**
- **SIA Cargo**
- **Tiger Airways**

GROUP FUEL HEDGING

FULL YEAR POSITION – FY05/06

- **Budgeted Uplift Volume (M BBL)** **36**
- **Percentage Hedged (%)** **51**
- **Weighted Average Hedged**
Price (USD/BBL) **64.58**
- **Average October 05 Fuel**
Price (USD/BBL) **77.27**

SIA CARGO

- **15th B747-400F delivered in Oct 05**
- **Add 2x weekly to Chicago via New Delhi, Bangalore and Copenhagen**
- **Freight volume volatile but demand build up to pre X'mas peak**

Tiger Airways

- **Share capital authorised** **\$80.0M**
- **SIA share @ 49%** **\$39.2M**
- **As at 30 Sep 05, since inception,**
SIA has paid up **\$ 8.0M**

PASSENGER NETWORK DEVELOPMENT

– 2H FY05/06

	Planned	Total
Frequency increases	(x weekly)	(x weekly)
• Bangalore	+ 2	5
• Hyderabad (shift of services from SilkAir A320 to SIA B777)	+ 4	4
Supplementary Services		
• Adelaide	+ 1	5
• Perth	+ 3	21
• Taipei	+ 3	17

PASSENGER NETWORK DEVELOPMENT

– 2H FY05/06

Shift of services to SilkAir from 30 Oct 05

- **Surabaya** **14x weekly**
- **Shenzhen** **6x weekly**

