

# MEDIA/ANALYST PRESENTATION

FY2006-07  
RESULTS

11 MAY 2007

Celebrating  
*60 years*  
in 2007 

[singaporeair.com](http://singaporeair.com)





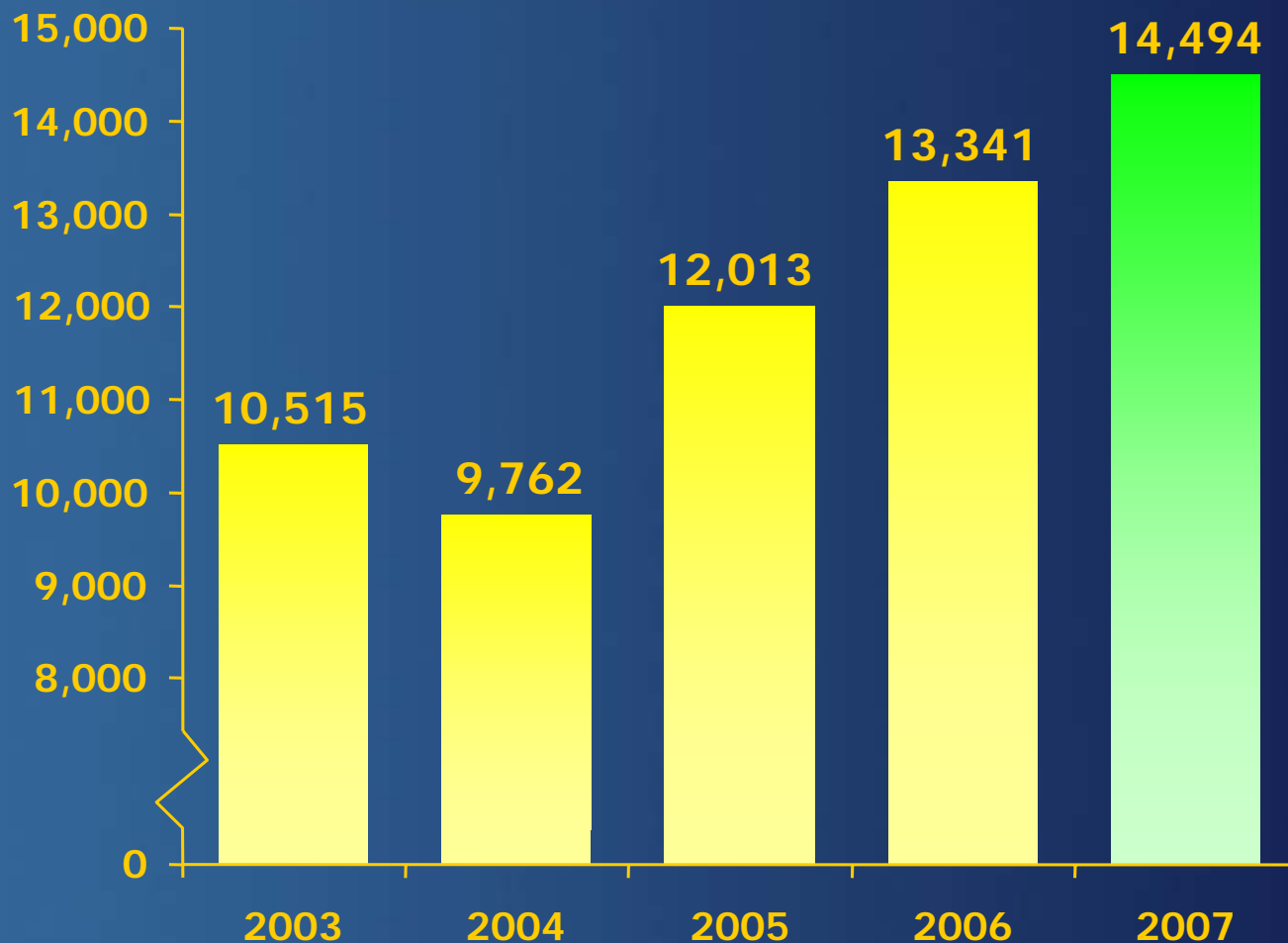
# **SIA GROUP FY2006-07 RESULTS**

# GROUP REVENUE

## – FY2006/07 (\$ million)



(\$ million)



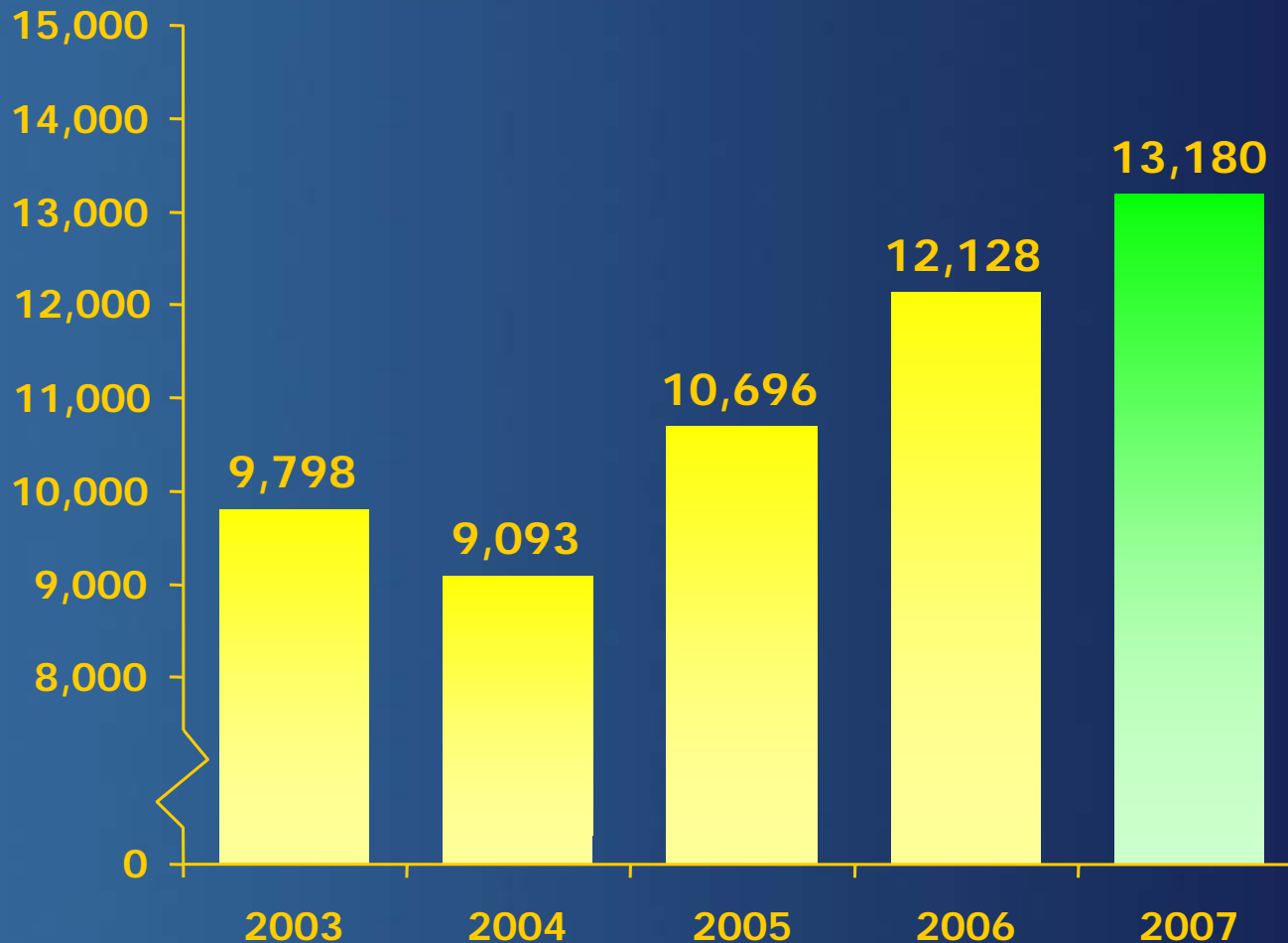
**Record Revenue**  
↑ 8.6%

**5-Year CAGR**  
+ 8.4%

# GROUP EXPENDITURE – FY2006/07 (\$ million)



(\$ million)



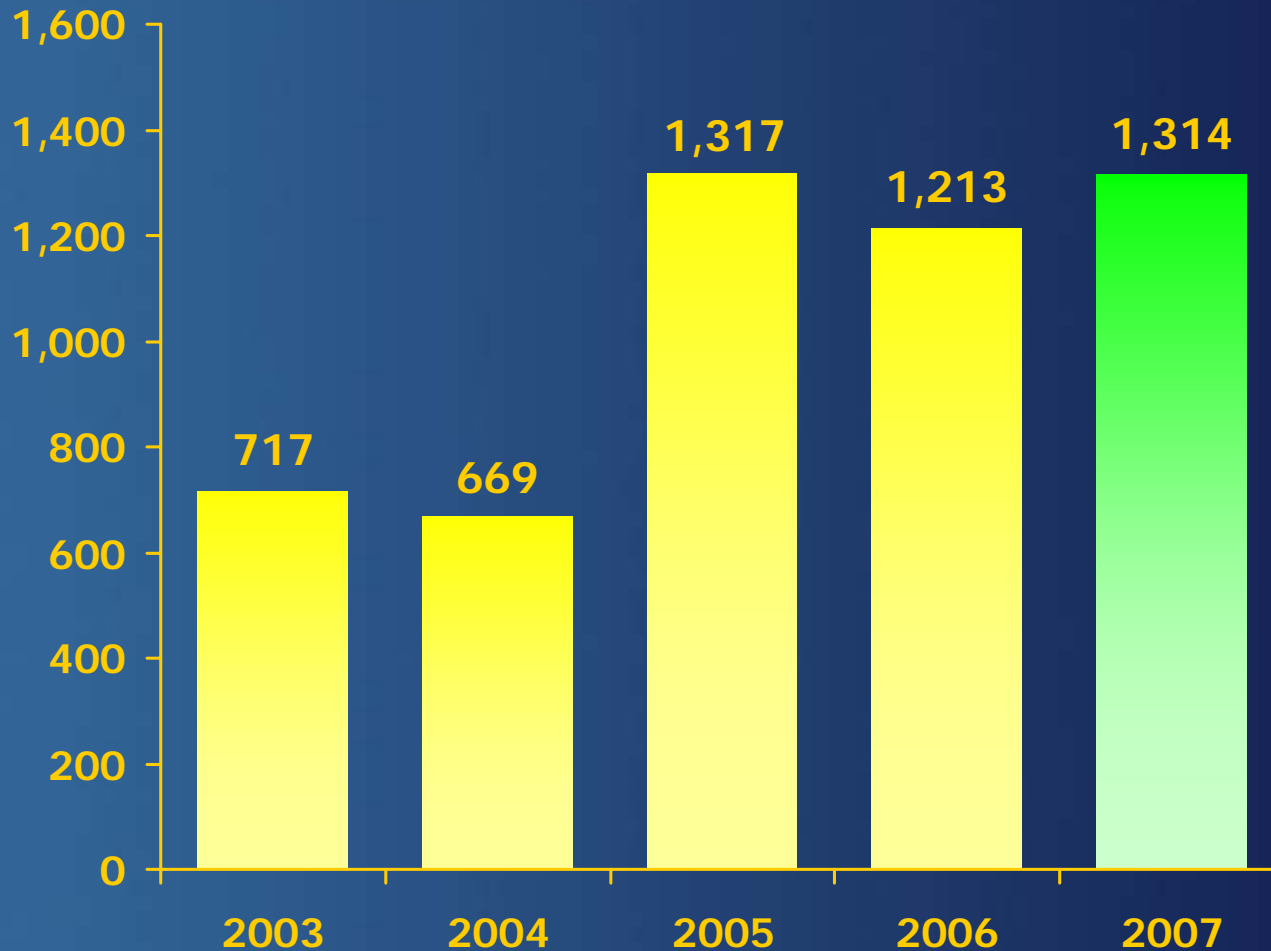
**Group Expenditure**  
↑ **8.7%**

**5-Year CAGR**  
**+ 7.7%**

# GROUP OPERATING PROFIT – FY2006/07 (\$ million)



(\$ million)



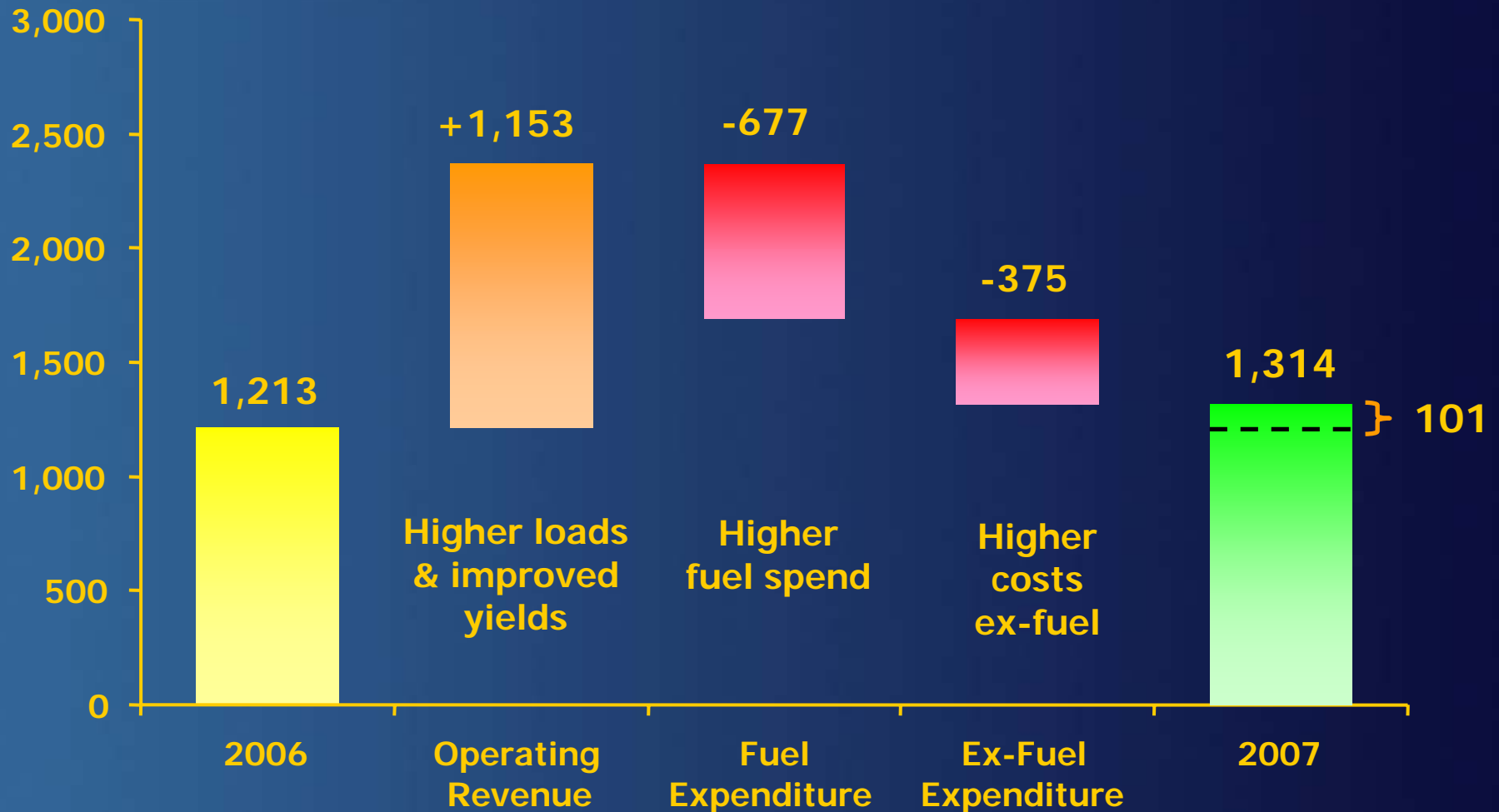
Operating Profit  
↑ 8.3%

5-Year CAGR  
+ 16.4%

# GROUP OPERATING PROFIT – FY2006/07 (\$ million)



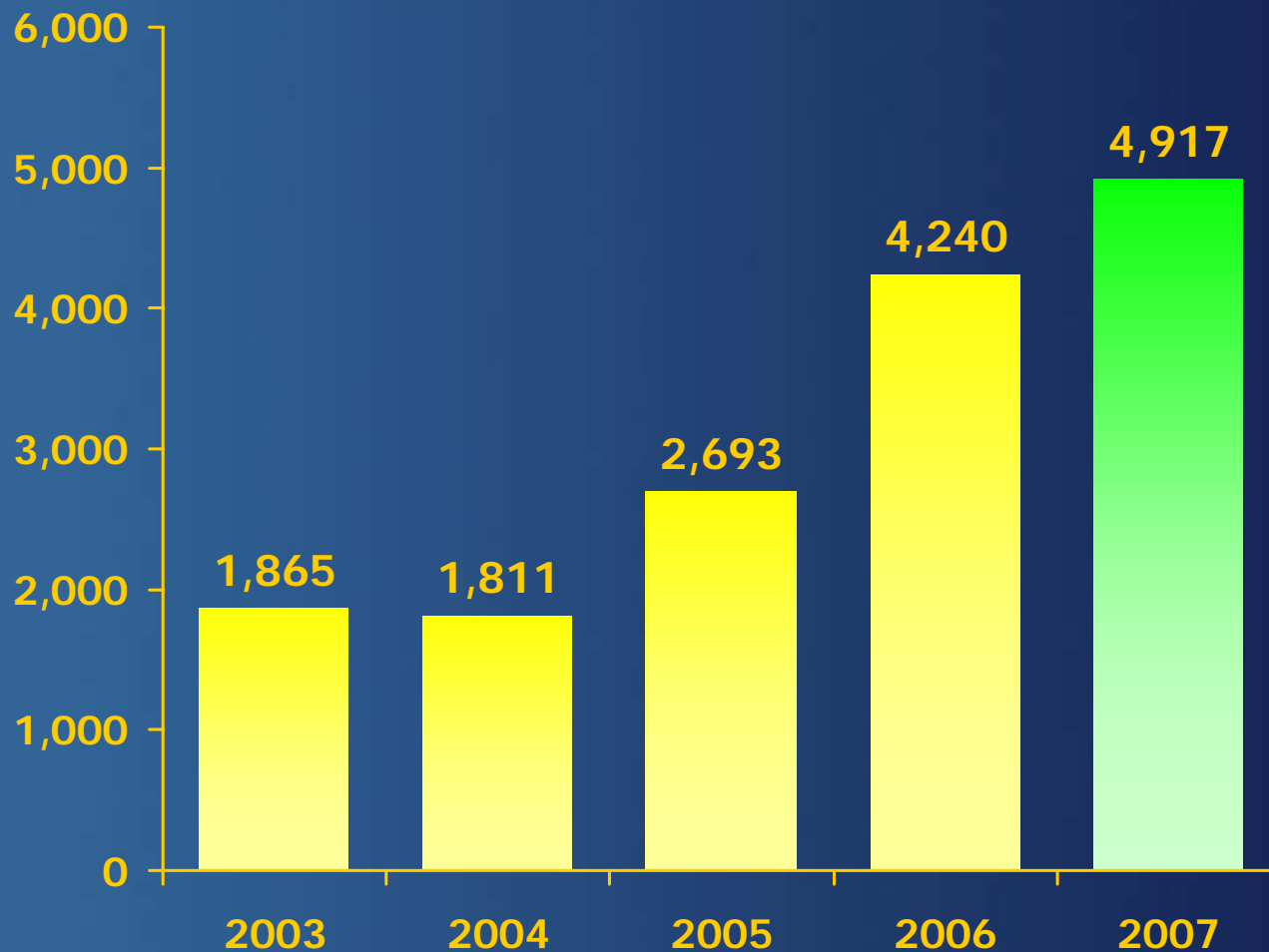
(\$ million)



# GROUP FUEL EXPENDITURE – FY2006/07 (\$ million)



(\$ million)



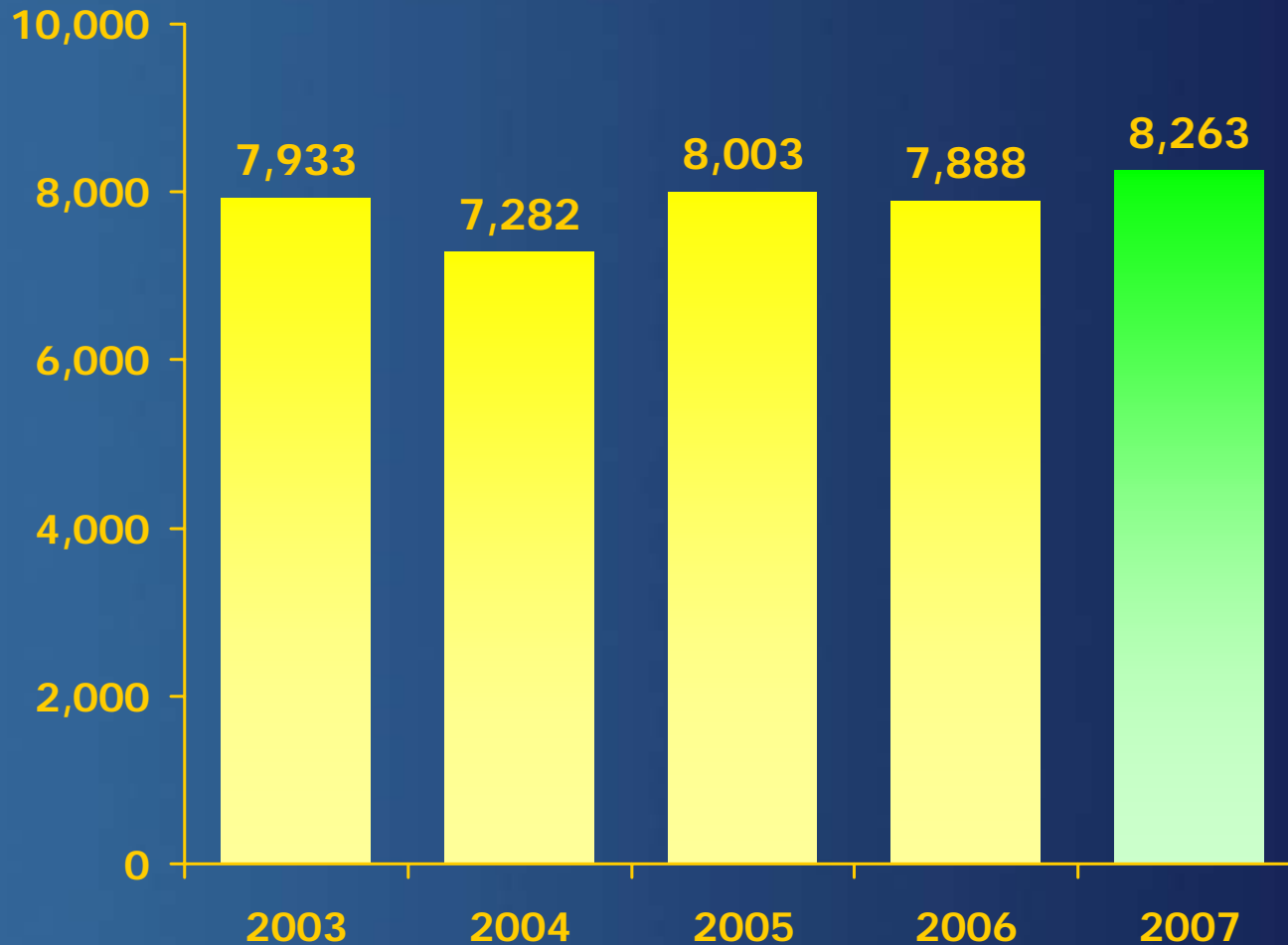
Fuel  
Expenditure  
↑ 16.0%

5-Year CAGR  
+ 27.4%

# GROUP EX-FUEL EXPENDITURE – FY2006/07 (\$ million)



(\$ million)

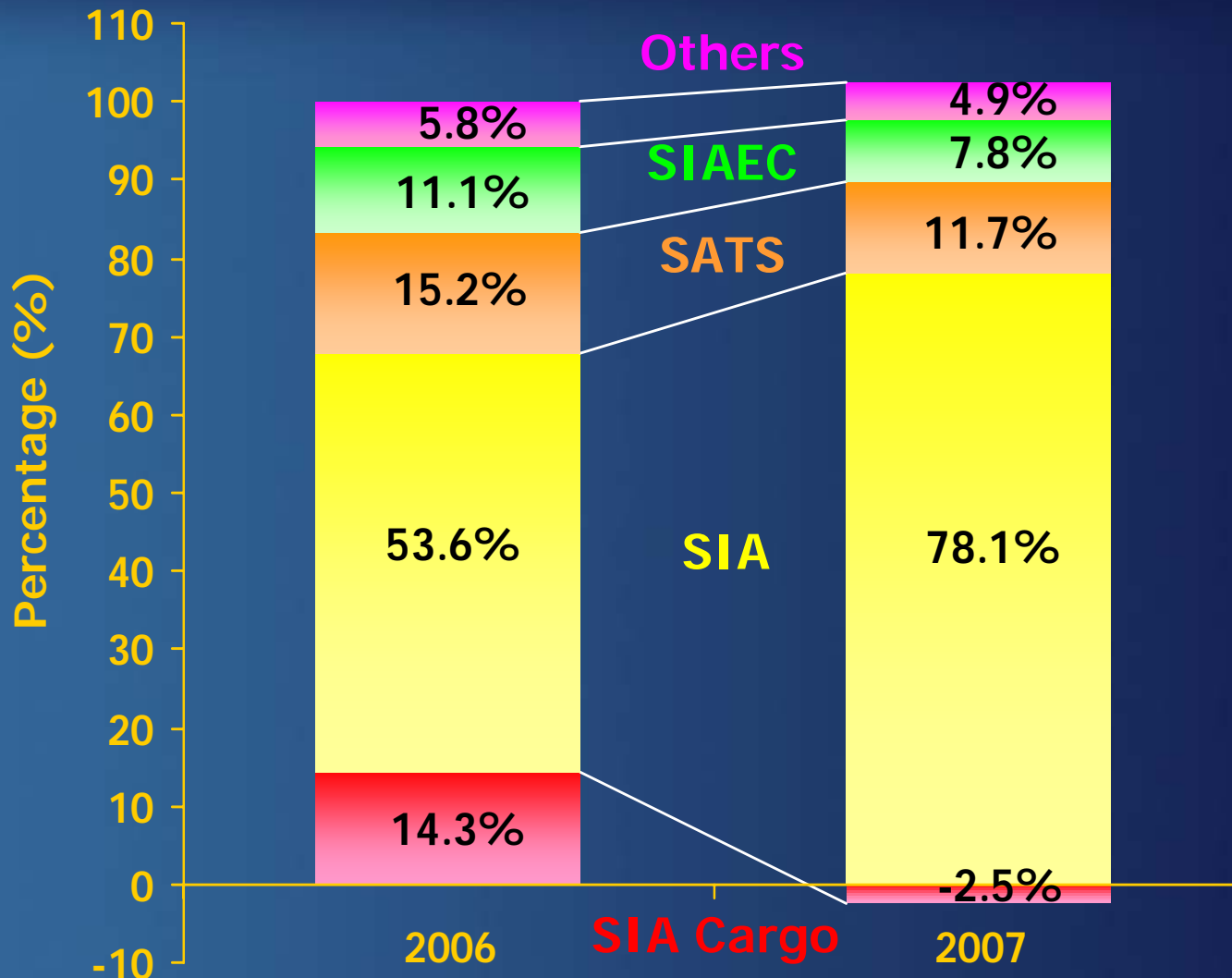


**Ex-Fuel  
Expenditure**  
↑ **4.8%**

**5-Year CAGR**  
**+ 1.0%**



# CONTRIBUTION TO GROUP OPERATING PROFIT – FY2006/07



**SIA**  
 24.5% pts

**SIA Cargo**  
 16.8% pts

**SATS Group**  
 3.5% pts

**SIAEC**  
 3.3% pts

# GROUP NET PROFIT – FY2006/07 (\$ million)





# **THE PARENT AIRLINE FY2006-07 RESULTS**

# THE PARENT AIRLINE COMPANY HIGHLIGHTS – FY2006/07



## Highlights of Company's Performance

- Capacity growth (+2.8%)
- Passengers carriage (+7.7%)
- Passenger load factor 79.2% (+3.6% points)
- Passenger yield 10.9¢/pkm (+2.8%)
- Record revenue \$11,344 million (+10.1%)
- Unit cost 7.9¢/ask (+5.3%)
- Record operating profit \$1,027 million (+57.8%)

# THE PARENT AIRLINE COMPANY RESULTS – FY2006/07



	<u>2006-07</u>	<u>2005-06</u>	<u>% Change</u>
Total Revenue	11,343.9	10,302.8	+ 10.1
Total Expenditure	(10,316.9)	(9,651.8)	+ 6.9
Operating Profit	1,027.0	651.0	+ 57.8

# THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2006/07

SINGAPORE  
AIRLINES



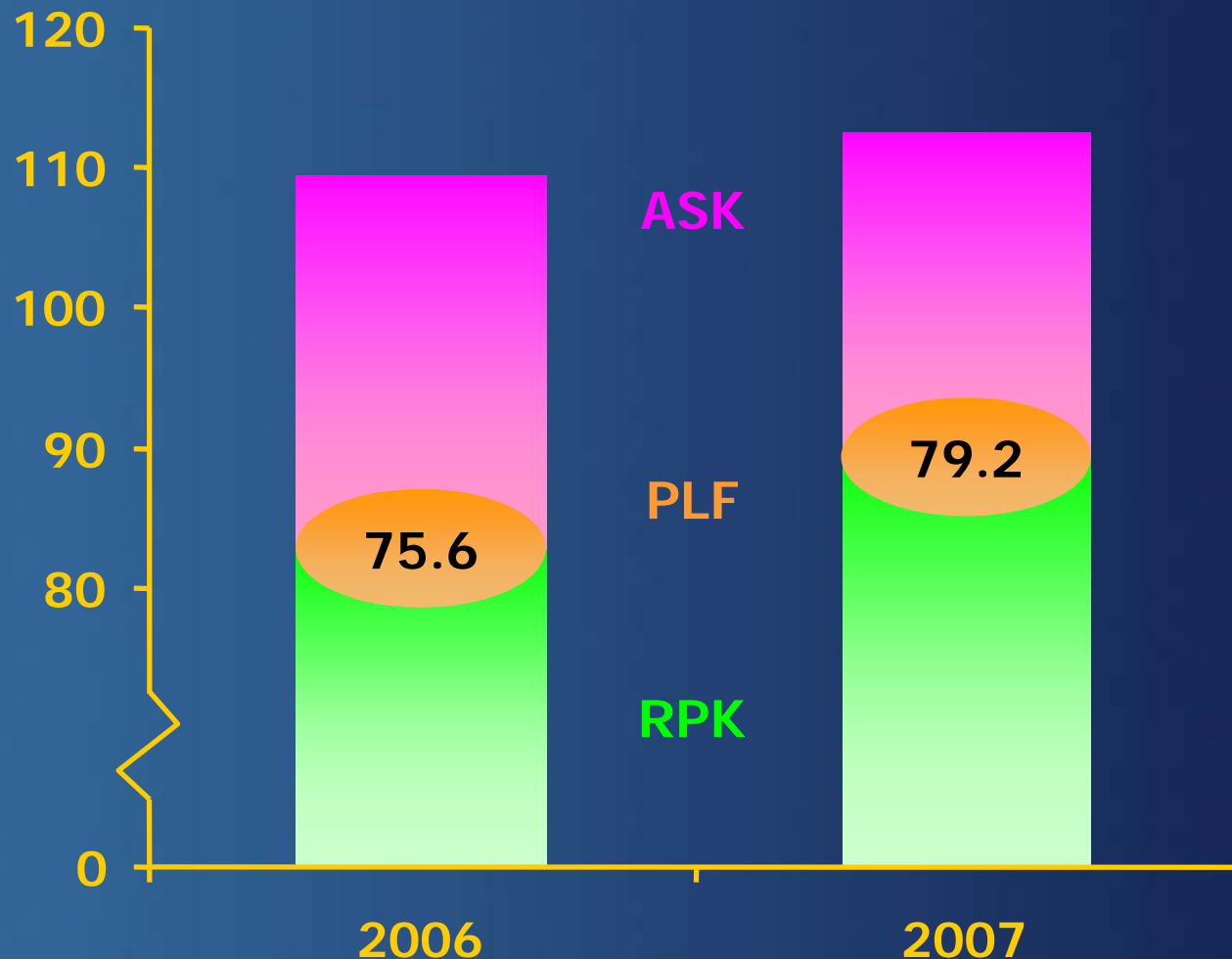
	<u>2006-07</u>	<u>2005-06</u>	<u>% Change</u>	
Passenger Yield (¢/pkm)	10.9	10.6	+	2.8
Unit Cost (¢/ask)	7.9	7.5	+	5.3
Passenger Breakeven Load Factor (%)	72.5	70.8	+	1.7 pts

# THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2006/07

SINGAPORE  
AIRLINES



(Billion KM)



Capacity (ASK)

↑ 2.8%

Passenger  
Carriage (RPK)

↑ 7.7%

Pax. Load  
Factor (%)

↑ 3.6% pts

# THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2006/07

SINGAPORE  
AIRLINES

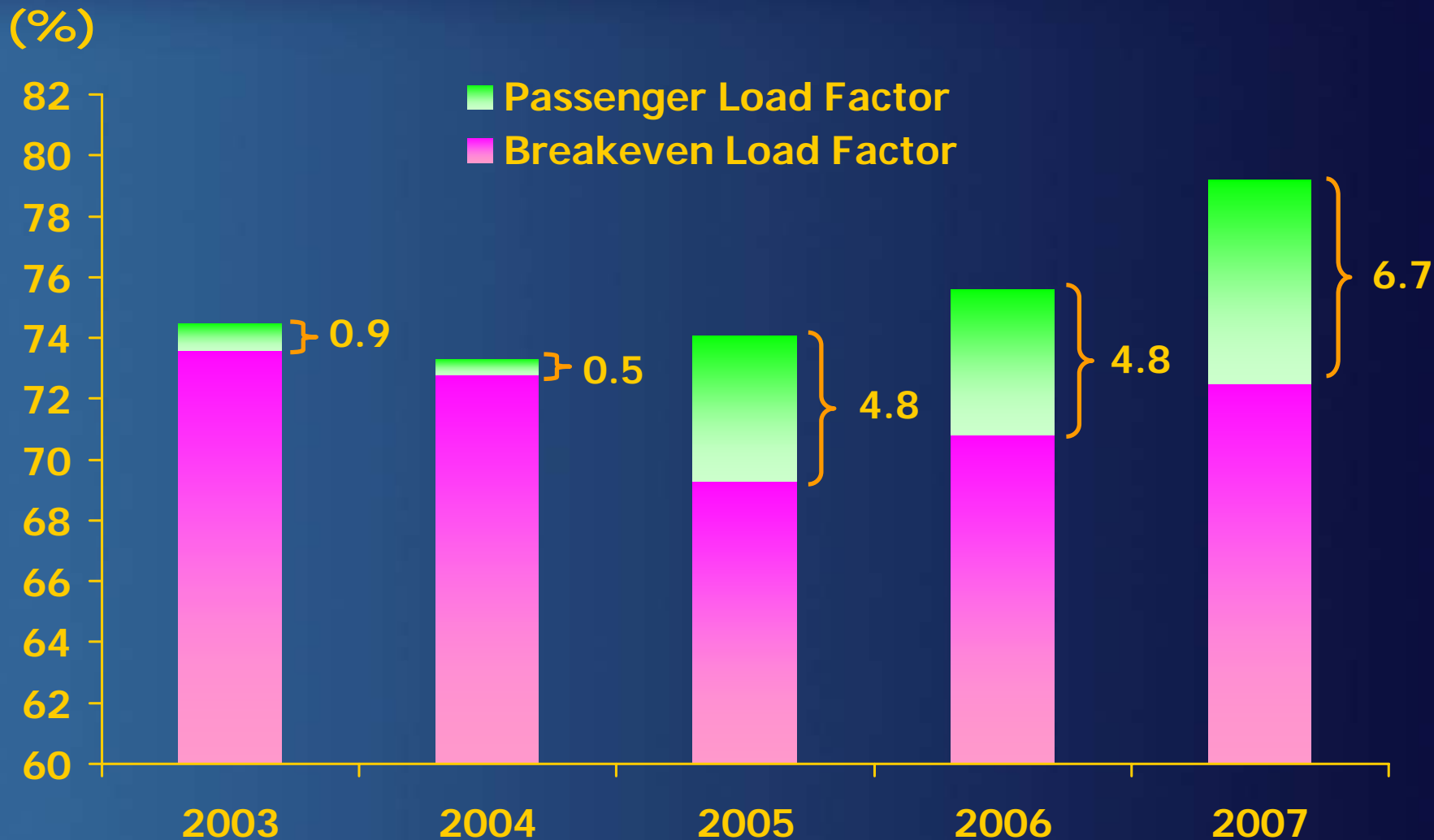


	<u>2006-07</u>	<u>2005-06</u>	<u>% Change</u>		
Passenger Load Factor (%)	79.2	75.6	+	3.6	pts
Passenger Breakeven Load Factor (%)	72.5	70.8	+	1.7	pts
Passenger Load Factor Spread (%)	6.7 pts	4.8 pts	+	1.9	pts

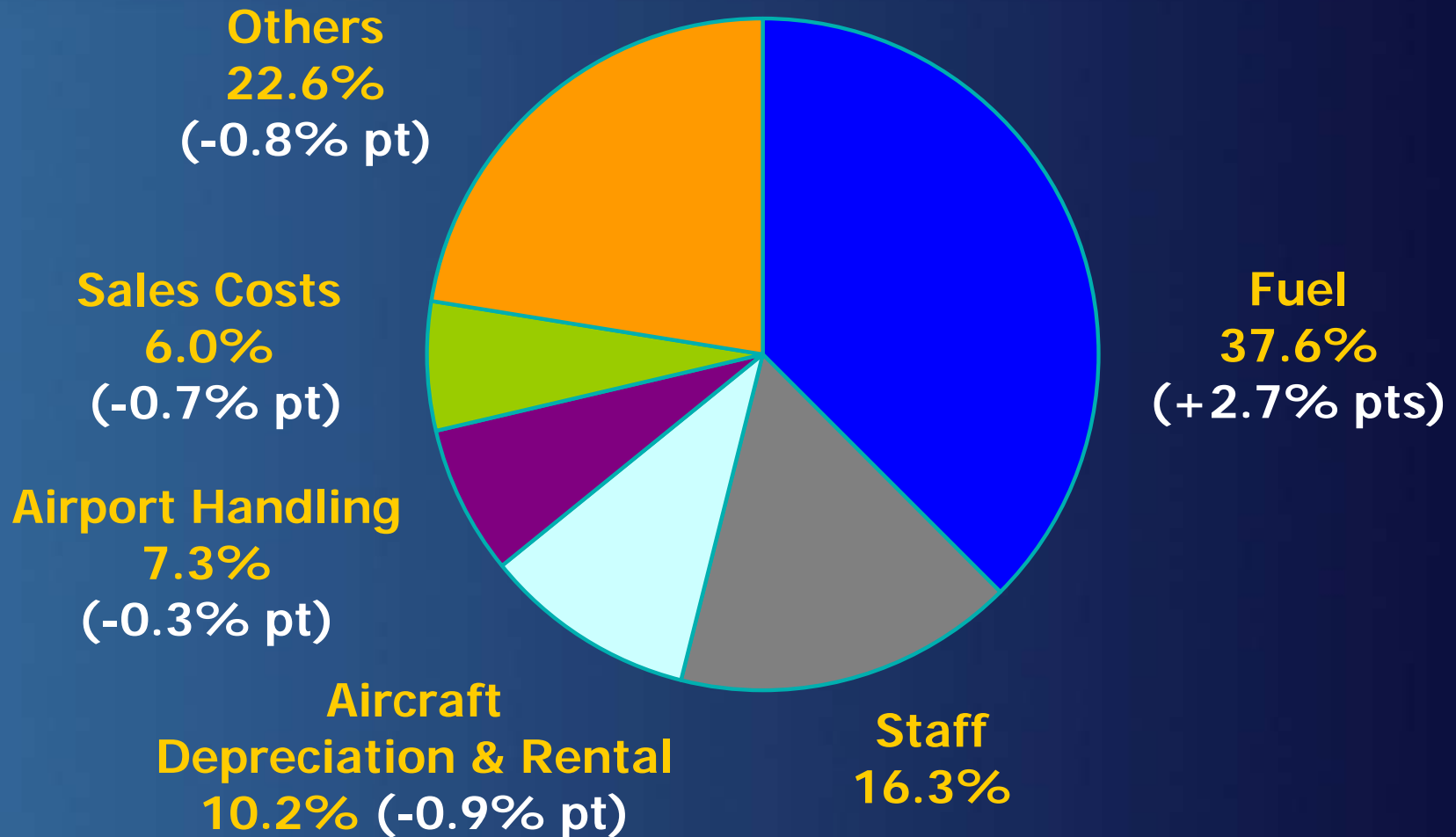


# THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2006/07

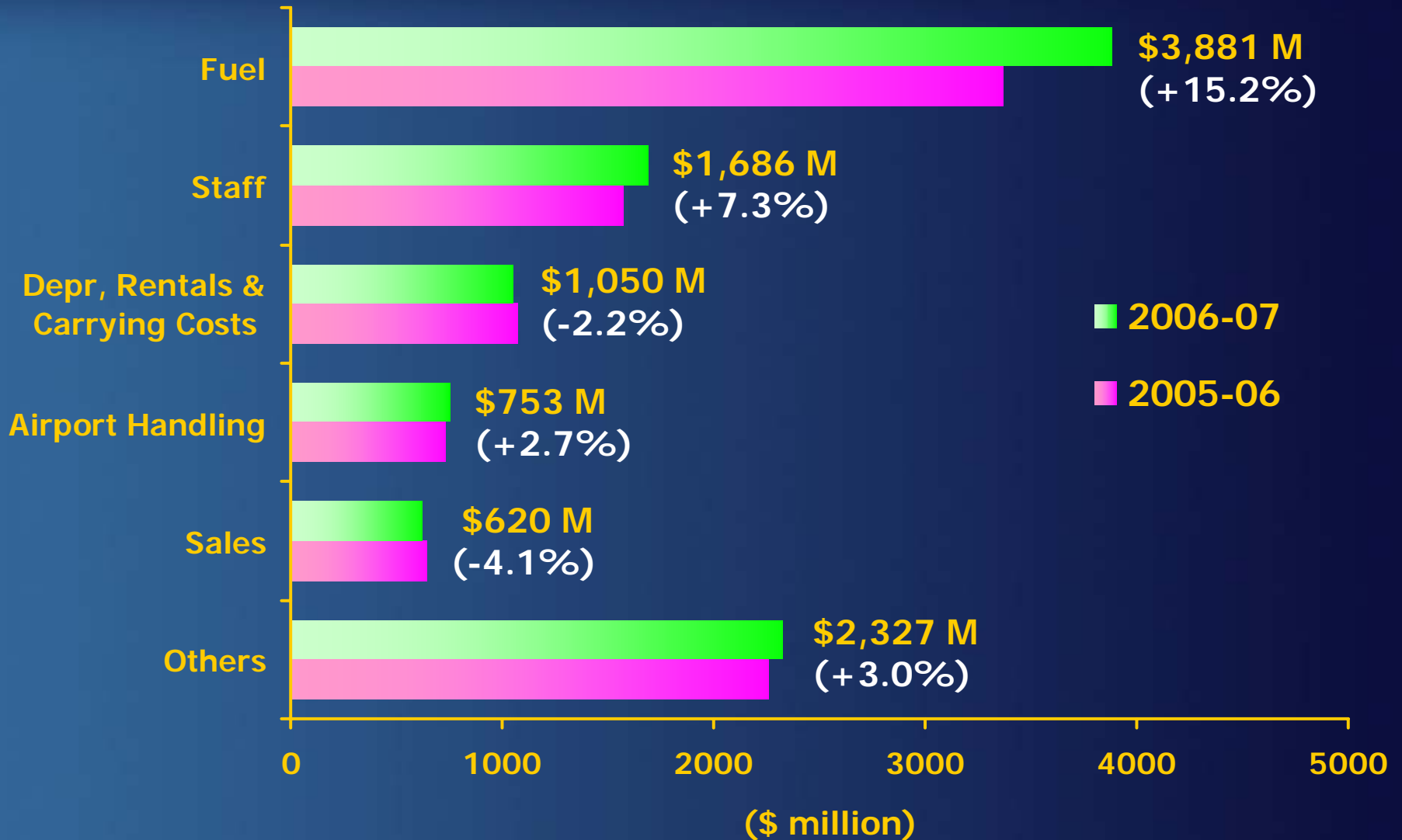
SINGAPORE  
AIRLINES



# THE PARENT AIRLINE COMPANY COST COMPOSITION – FY2006/07



# THE PARENT AIRLINE COMPANY COST ANALYSIS – FY2006/07



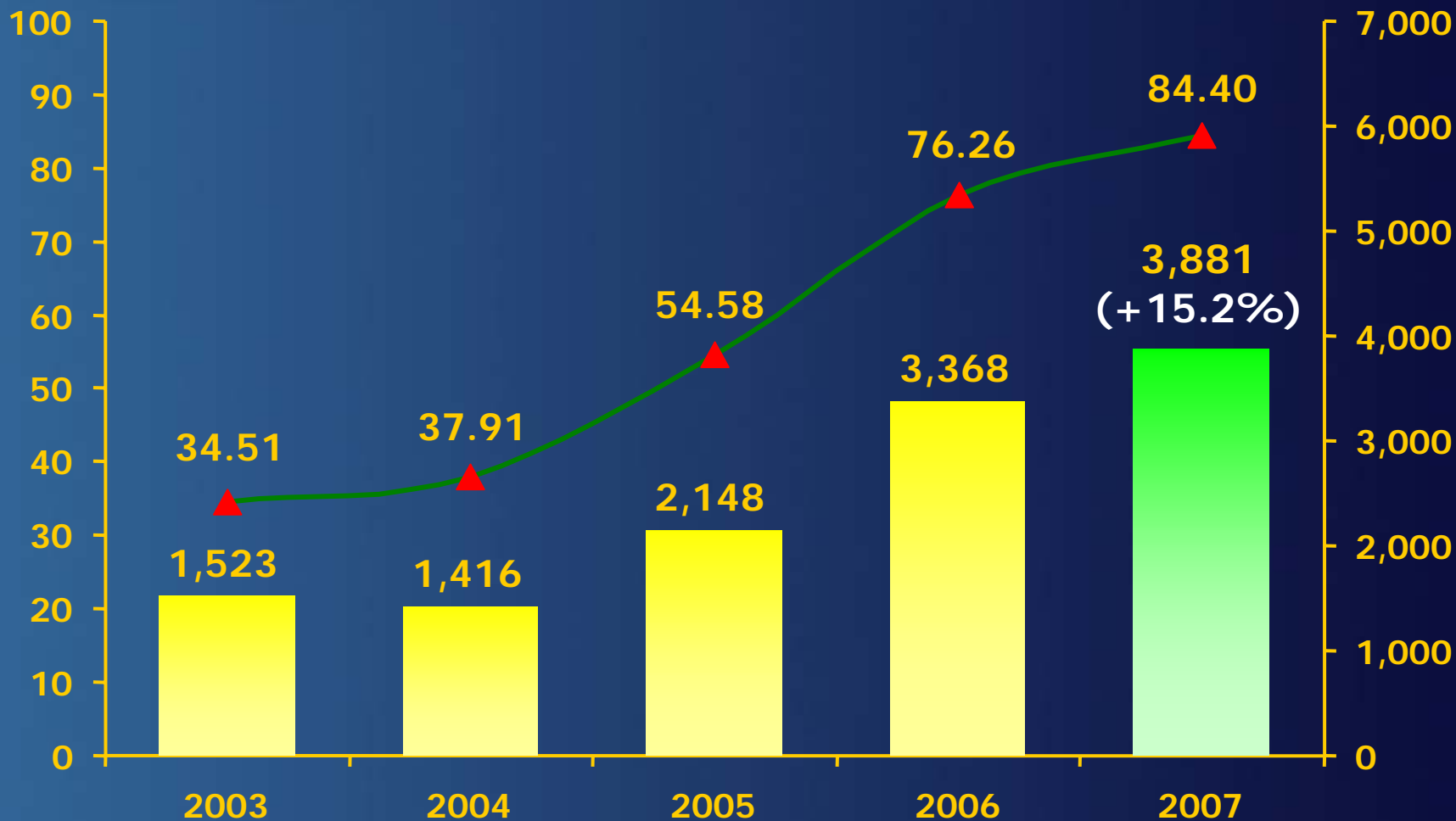
# THE PARENT AIRLINE COMPANY

## FUEL COST – FY2006/07



(USD/BBL)

(\$ million)





# **SIA SUBSIDIARIES FY2006-07 RESULTS**

# SUBSIDIARIES NET PROFIT

## – FY2006/07 (\$ million)



	<u>2006-07</u>	<u>2005-06</u>	<u>% Change</u>
<b>SIAEC Group</b>	<b>242.1</b>	<b>230.6</b>	<b>+ 5.0</b>
<b>SATS Group</b>	<b>178.2</b>	<b>188.6</b>	<b>- 5.5</b>
<b>SIA Cargo</b>	<b>30.6</b>	<b>135.3</b>	<b>- 77.4</b>
<b>SilkAir</b>	<b>19.8</b>	<b>20.6</b>	<b>- 3.9</b>



# LOOKING AHEAD



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- Fuel Hedging Position
- Capital Expenditure
- Airbus A380
- Fleet Development



# GROUP FUEL HEDGING POSITION – FY2007/08



■ Budgeted Uplift Volume (M BBL)	37
■ Hedging Target (%)	45 +/- 15
■ Percentage Hedged (%) at May 07	42
■ Avg Hedged Price (USD/BBL - Jet Fuel)	84

# GROUP CAPITAL EXPENDITURE FOR NEXT 5 YEARS (\$ million)



	<u>FY07/08</u>	<u>FY08/09</u>	<u>FY09/10</u>	<u>FY10/11</u>	<u>FY11/12</u>
<b>Aircraft</b>	1,800	2,300	3,500	4,800	4,500
<b>Other Assets</b>	600	500	500	300	300
<b>Total</b>	2,400	2,800	4,000	5,100	4,800

# AIRBUS A380-800

## – FY2007/08



- 1<sup>st</sup> unit delivery October 2007, into commercial service in November 2007 to Sydney
- 2<sup>nd</sup> and 3<sup>rd</sup> units delivery January and February 2008 for London route

# PASSENGER FLEET DEVELOPMENT

## – FY2007/08



■ Operating Fleet at 1 April 2007	94
■ Aircraft Deliveries	
◆ Airbus A380-800	3
◆ Boeing B777-300ER	5
■ Aircraft Sold Off	
◆ Boeing B747-400	5
■ Operating Fleet at 31 March 2008	97



# DIVIDENDS



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## – FY2006/07



	<u>2006-07</u>	<u>2005-06</u>
Earnings Per Share (¢)	172.6	101.7
Interim Dividend Per Share Paid (¢)	15.0	10.0
Proposed Final Dividend Per Share (¢)	35.0	35.0
Total Ordinary Dividend Per Share (¢)	50.0	45.0

# SPECIAL DIVIDEND – FY2006/07



## Monetization of Non-Core Assets

- Sale of SIA Building and of 35.5% stake in Singapore Aircraft Leasing Enterprise
- Total proceeds \$852 Million

## Proposed Special Dividend

- 50¢ per share, approximately \$625 Million
- 73% of proceeds

# TOTAL DIVIDENDS – FY2006/07



	<u>2006-07</u>	<u>2005-06</u>
<b>Total Ordinary Dividend Per Share (¢)</b>	<b>50.0</b>	<b>45.0</b>
<b>Proposed Special Dividend Per Share (¢)</b>	<b>50.0</b>	<b>Nil</b>
<b>Total Dividends Per Share (¢)</b>	<b>100.0</b>	<b>45.0</b>





# PROPOSED CAPITAL REDUCTION

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## Objectives

- Make capital structure more efficient
- Improve ROE
- Ensure adequate funding for operations and investments

# PROPOSED CAPITAL REDUCTION



## Distribution to shareholders by cancellation of shares<sup>1</sup>

- 1 share cancelled for every 15 shares held
- Cash distribution \$18.46 per share cancelled<sup>2</sup>
- Approximately \$1,537 million<sup>3</sup>

1. Subject to court approval
2. Price based on average SGX closing price between 2 May and 8 May 2007
3. Estimated based on 1,249.3 million shares in issue at 8 May 2007

# PROPOSED CAPITAL REDUCTION



## Features & Benefits

- All shareholders receive cash
- Proportion of ownership after completion remain unchanged
- Improve EPS

# PROPOSED CAPITAL REDUCTION



## Features & Benefits

- Alternatives to be made available for odd lots, rounded up to nearest normal trading lot
- Details forthcoming



*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](http://www.singaporeair.com.sg)*