



**July to September 2003
and Half-Year Financial Results,
29 October 2003**

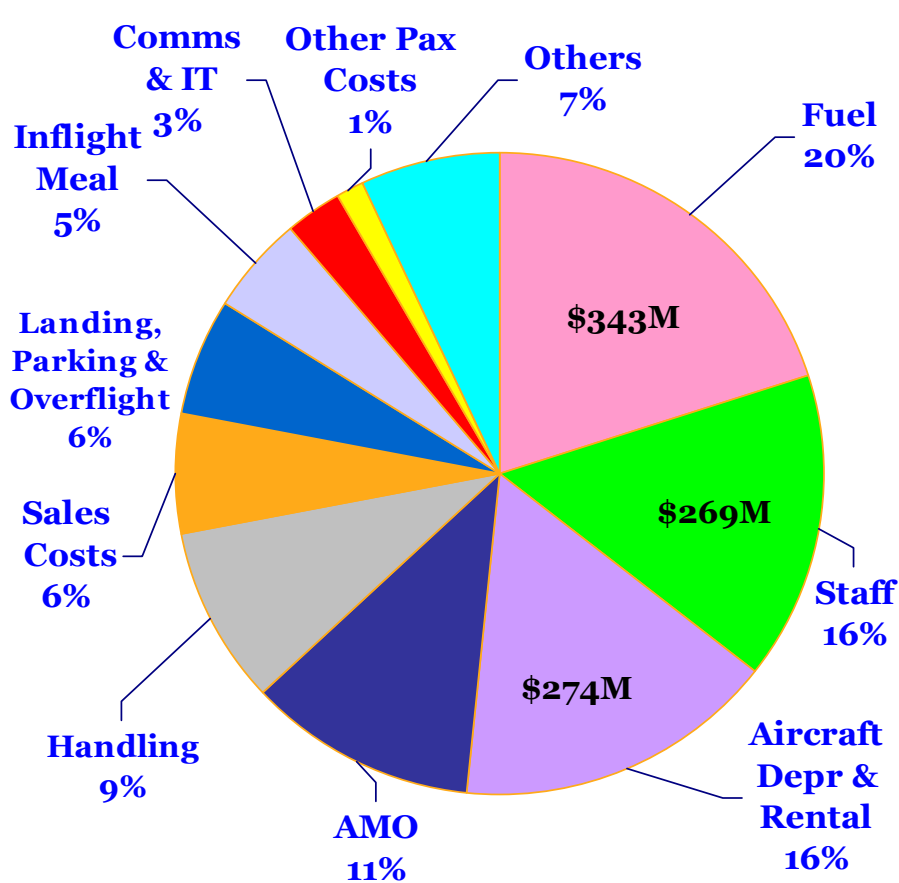
ORDER OF PRESENTATION

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

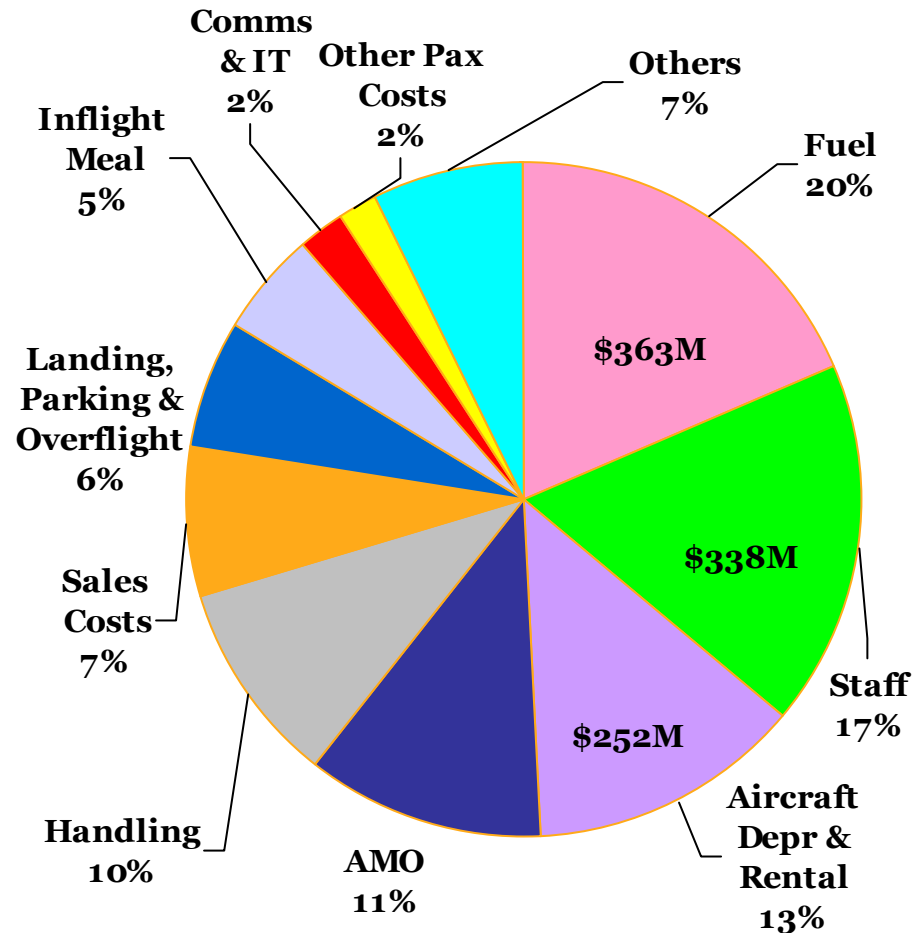
THE AIRLINE COMPANY RESULTS – Q2/03 vs Q2/02 (S\$million)

	Jul-Sep 2003	Jul-Sep 2002	Variance	% Change
Total Revenue	1,891.8	2,081.9	-190.1	- 9.1
Total Expenditure	1,717.1	1,943.5	-226.4	- 11.6
Operating Profit	174.7	138.4	+ 36.3	+26.2
Non-Operating Items	95.7	96.1	- 0.4	- 0.4
Profit After Tax	212.3	175.8	+ 36.5	+20.8

THE AIRLINE COMPANY – COSTS ANALYSIS Q2/03 vs Q2/02



July-Sep 2003



July-Sep 2002

THE AIRLINE COMPANY – STAFF COSTS Q2/03 vs Q2/02 (S\$million)

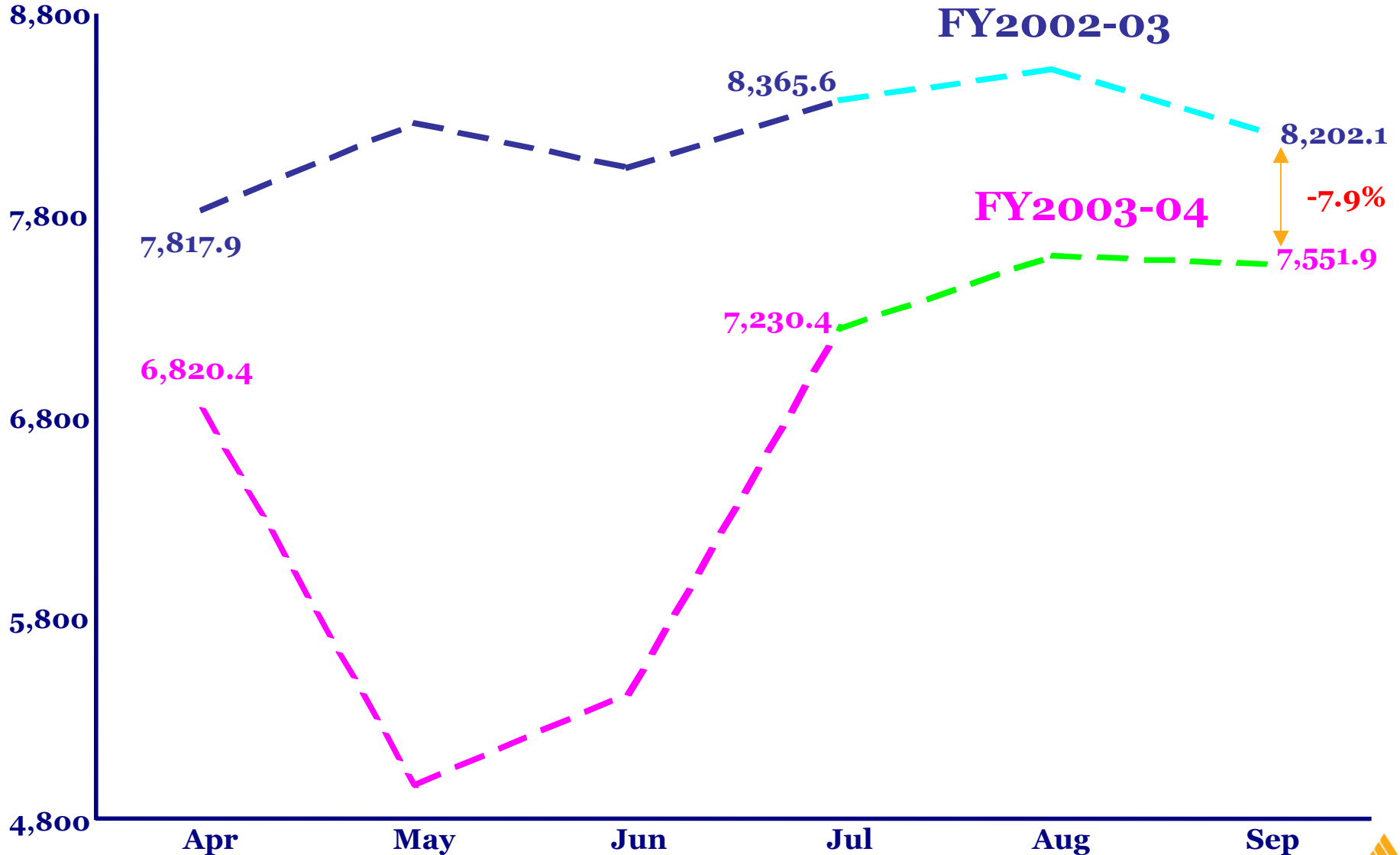
1	No provision for profit-sharing bonus	-31.0
2	Wage cuts	-16.3
3	Reduction in staff	- 7.7
4	Less flying allowances paid	- 8.6
5	No-pay leave	- 4.9
		<hr/>
		-68.5
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THE AIRLINE COMPANY OPERATING PERFORMANCE – Q2/03 vs Q2/02

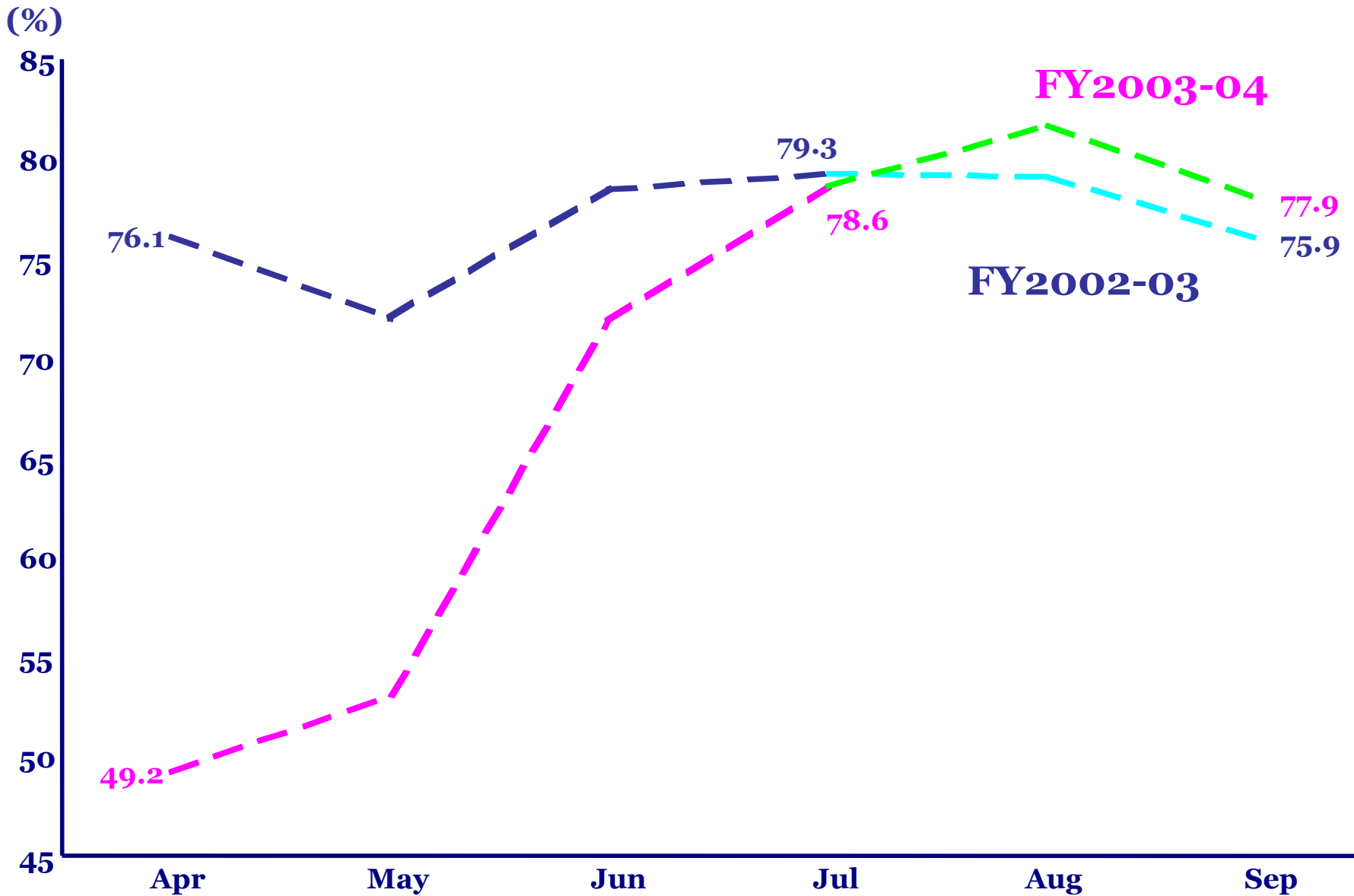
	Jul-Sep 2003	Jul-Sep 2002	Variance	% Change
Seat Capacity (M ask)	22,379.8	25,090.5	-2,710.7	-10.8
Passenger Carriage (M pkm)	17,772.8	19,600.4	-1,827.6	- 9.3
Passenger Load Factor (%)	79.4	78.1	+ 1.3pts	
Passenger Yield (¢/pkm)	8.9	9.0	- 0.1	- 1.1
Unit Yield (¢/ask)	7.1	7.0	+ 0.1	+ 1.4
Unit Cost (¢/ask)	6.4	6.7	- 0.3	- 4.5
Breakeven Load Factor (%)	71.9	74.4	- 2.5pts	

Capacity restoration from last quarter's drastic cuts

(ASK'M)



Passenger load factor picked up post SARS



THE AIRLINE COMPANY RESULTS – Q2/03 vs Q1/03 (S\$million)

	Jul-Sep 2003	Apr-Jun 2003	Variance	% Change
Total Revenue	1,891.8	1,079.6	+ 812.2	+ 75.2
Total Expenditure	1,717.1	1,522.5	+ 194.6	+ 12.8
Operating Profit/(Loss)	174.7	(442.9)	+ 617.6	n.m.
Non-Operating Items	95.7	36.9	+ 58.8	+ 159.3
Profit/(Loss) After Tax	212.3	(346.6)	+ 558.9	n.m.

THE AIRLINE COMPANY RESULTS – 1H/03 vs 1H/02 (S\$million)

	Apr-Sep 2003	Apr-Sep 2002	Variance	% Change
Total Revenue	2,971.4	4,036.8	-1,065.4	- 26.4
Total Expenditure	3,239.6	3,781.1	- 541.5	- 14.3
Operating Profit/(Loss)	(268.2)	255.7	- 523.9	n.m.
Non-Operating Items	132.6	127.6	+ 5.0	+ 3.9
Profit/(Loss) After Tax	(134.3)	512.4	- 646.7	n.m.

SUBSIDIARIES PROFIT/(LOSS) AFTER TAX – Q2/03 vs Q2/02 (S\$million)

	Jul-Sep 2003	Jul-Sep 2002	Variance	% Change
SATS Group *	50.8	49.3	+ 1.5	+ 3.0
SIAEC Group *	38.3	54.3	-16.0	- 29.5
SIA Cargo	25.8	6.2	+19.6	+316.1
SilkAir	3.9	4.6	- 0.7	- 15.2
Others	(1.5)	0.7	- 2.2	n.m.
	117.3	115.1	+ 2.2	+ 1.9

* Included share of profits of joint venture and associated companies

SIA CARGO RESULTS – Q2/03 vs Q2/02 (S\$million)

	Jul-Sep 2003	Jul-Sep 2002	Variance	% Change
Revenue	645.6	619.6	+26.0	+ 4.2
Expenditure	607.2	610.6	- 3.4	- 0.6
Operating Profit	38.4	9.0	+29.4	+326.7
Profit After Tax	25.8	6.2	+19.6	+316.1

SIA CARGO OPERATING PERFORMANCE – Q2/03 vs Q2/02

	Jul-Sep 2003	Jul-Sep 2002	Variance	% Change
Capacity (M ctk)	2,597.3	2,506.6	+90.7	+3.6
Load Carried (M ltk)	1,711.9	1,754.6	- 42.7	- 2.4
Cargo Load Factor (%)	65.9	70.0	- 4.1pts	
Cargo Yield (¢/ltk)	35.6	33.2	+ 2.4	+7.2
Unit Cost (¢/ctk)	22.4	23.3	- 0.9	- 3.9
Breakeven Load Factor (%)	62.9	70.2	- 7.3pts	

SILKAIR RESULTS –

Q2/03 vs Q2/02 (S\$million)

	Jul-Sep 2003	Jul-Sep 2002	Variance	% Change
Revenue	56.6	60.3	-3.7	- 6.1
Expenditure	51.6	55.0	-3.4	- 6.2
Operating Profit	5.0	5.3	-0.3	- 5.7
Profit After Tax	3.9	4.6	-0.7	-15.2

SILKAIR OPERATING PERFORMANCE – Q2/03 vs Q2/02

	Jul-Sep 2003	Jul-Sep 2002	Variance	% Change
Capacity (M ctk)	72.1	81.0	- 8.9	-10.9
Load Carried (M ltk)	40.0	39.8	+ 0.2	+ 0.5
Overall Load Factor (%)	55.5	49.2	+ 6.3pts	
Yield (¢/ltk)	131.1	142.7	- 11.6	- 8.1
Unit Cost (¢/ctk)	67.5	66.3	+ 1.2	+ 1.8
Breakeven Load Factor (%)	51.5	46.5	+ 5.0pts	

SUBSIDIARIES PROFIT/(LOSS) AFTER TAX – Q2/03 vs Q1/03 (S\$million)

	Jul-Sep 2003	Apr-Jun 2003	Variance	% Change
SATS Group*	50.8	27.9	+ 22.9	+ 82.1
SIAEC Group*	38.3	22.9	+ 15.4	+ 67.2
SIA Cargo	25.8	13.6	+ 12.2	+89.7
SilkAir	3.9	(7.8)	+ 11.7	n.m.
Others	(1.5)	3.9	- 5.4	n.m.
	117.3	60.5	+ 56.8	+ 93.9

* Included share of profits of joint venture and associated companies

SUBSIDIARIES PROFIT/(LOSS) AFTER TAX – 1H/03 vs 1H/02 (S\$million)

	Apr-Sep 2003	Apr-Sep 2002	Variance	% Change
SATS Group *	78.7	118.2	- 39.5	- 33.4
SIAEC Group *	61.2	101.4	- 40.2	- 39.6
SIA Cargo	39.4	46.9	- 7.5	- 16.0
SilkAir	(3.9)	17.3	- 21.2	n.m.
Others	2.3	7.8	- 5.5	- 70.5
	177.7	291.6	-113.9	- 39.1

* Included share of profits of joint venture and associated companies

GROUP RESULTS –

Q2/03 vs Q2/02 (S\$million)

	Jul-Sep 2003	Jul-Sep 2002	Variance	% Change
Total Revenue	2,518.1	2,690.0	- 171.9	- 6.4
Total Expenditure	2,203.3	2,424.2	- 220.9	- 9.1
Operating Profit	314.8	265.8	+ 49.0	+18.4
Non-Operating Items	27.0	33.8	- 6.8	- 20.1
Share of Profits of Joint Venture and Associated Co	50.0	86.2	- 36.2	- 42.0
Profit After Tax	318.0	308.7	+ 9.3	+ 3.0
Profit Attributable to Shareholders	305.8	295.1	+ 10.7	+ 3.6
Post-Tax Earnings Per Share (¢)	25.1	24.2	+ 0.9	+ 3.7

GROUP RESULTS – Q2/03 vs Q1/03 (S\$million)

	Jul-Sep 2003	Apr-Jun 2003	Variance	% Change
Total Revenue	2,518.1	1,653.4	+ 864.7	+ 52.3
Total Expenditure	2,203.3	2,030.7	+ 172.6	+ 8.5
Operating Profit/(Loss)	314.8	(377.3)	+ 692.1	n.m.
Non-Operating Items	27.0	33.5	- 6.5	- 19.4
Share of Profits/(Losses) of Joint Venture and Associated Co	50.0	(6.1)	+ 56.1	n.m.
Profit/(Loss) After Tax	318.0	(305.2)	+ 623.2	n.m.
Profit/(Loss) Attributable to Shareholders	305.8	(312.3)	+ 618.1	n.m.
Post-Tax Earnings Per Share (¢)	25.1	(25.6)	+ 50.7	n.m.

GROUP RESULTS –

1H/03 vs 1H/02 (S\$million)

	Apr-Sep 2003	Apr-Sep 2002	Variance	% Change
Total Revenue	4,171.5	5,228.9	-1,057.4	- 20.2
Total Expenditure	4,234.0	4,719.1	- 485.1	- 10.3
Operating Profit/(Loss)	(62.5)	509.8	- 572.3	n.m.
Non-Operating Items	60.5	59.0	+ 1.5	+ 2.5
Share of Profits of Joint Venture and Associated Co	43.9	87.1	- 43.2	- 49.6
Profit/(Loss) After Tax	12.8	803.9	- 791.1	- 98.4
Profit/(Loss) Attributable to Shareholders	(6.5)	773.5	- 780.0	n.m.
Post-Tax Earnings Per Share (¢)	(0.5)	63.5	- 64.0	n.m.



CORPORATE DEVELOPMENTS

- **Business Process Review**
- **Low Cost Carrier Challenge**
- **New Destinations**
- **A345 Operations**
- **A380 Update**
- **Re-Fleeting Plans**

OUTLOOK

- **Risks – fuel prices, SARS, terrorism**
- **Global economic weakness**
- **Upbeat but not out of woods yet**

**STILL SOME WAY TO GO
BUT WE'RE BACK**