



# **FY2003-04 Financial Results**

## **14 May 2004**

# ORDER OF PRESENTATION

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

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

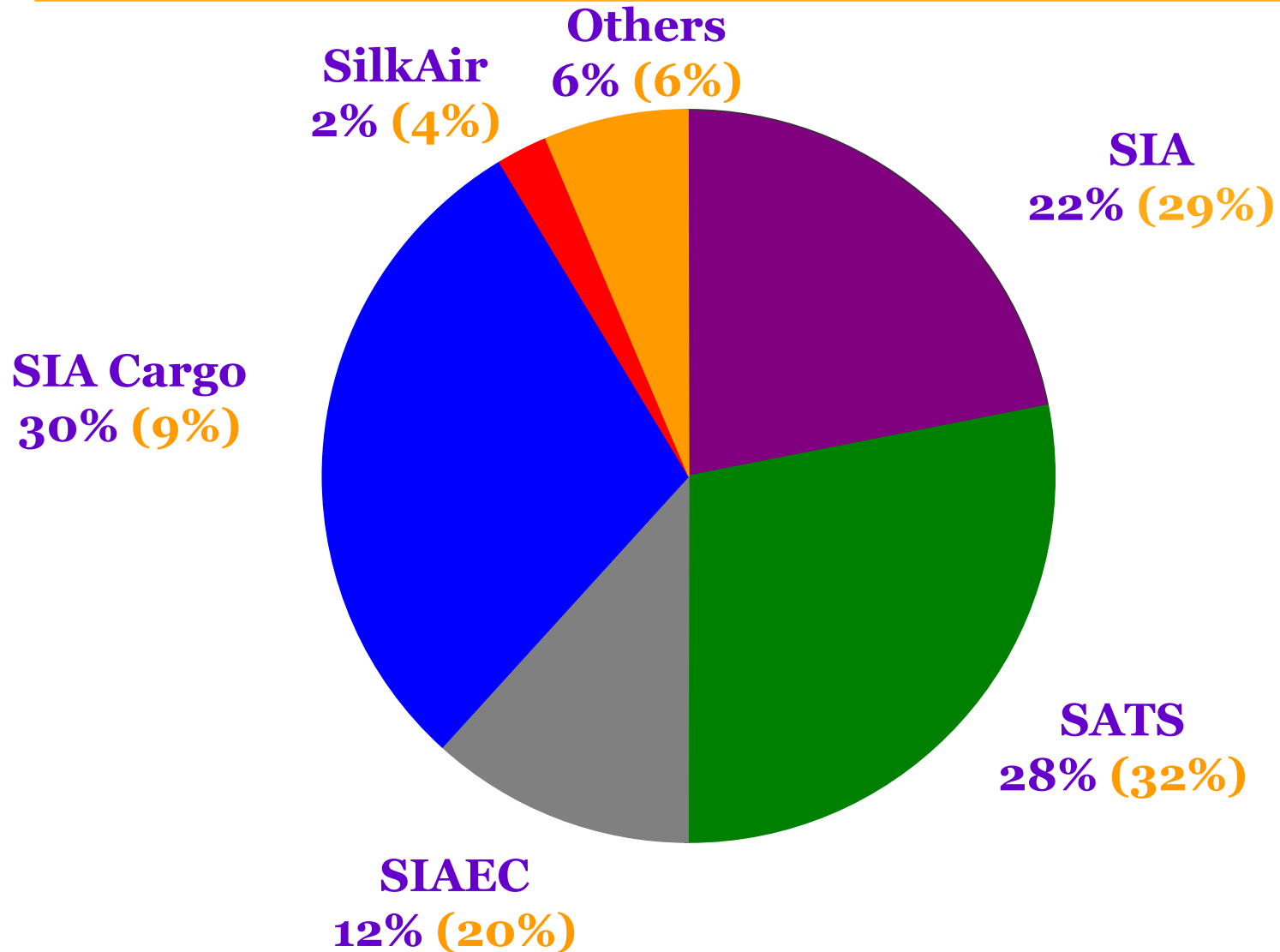
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	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>	
<b>Total Revenue</b>	<b>9,761.9</b>	<b>10,515.0</b>	<b>-</b>	<b>7.2</b>
<b>Total Expenditure</b>	<b>(9,081.5)</b>	<b>(9,797.9)</b>	<b>-</b>	<b>7.3</b>
<b>Operating Profit</b>	<b>680.4</b>	<b>717.1</b>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

# 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)

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

# GROUP RESULTS – FY03/04 vs FY02/03

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	<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)

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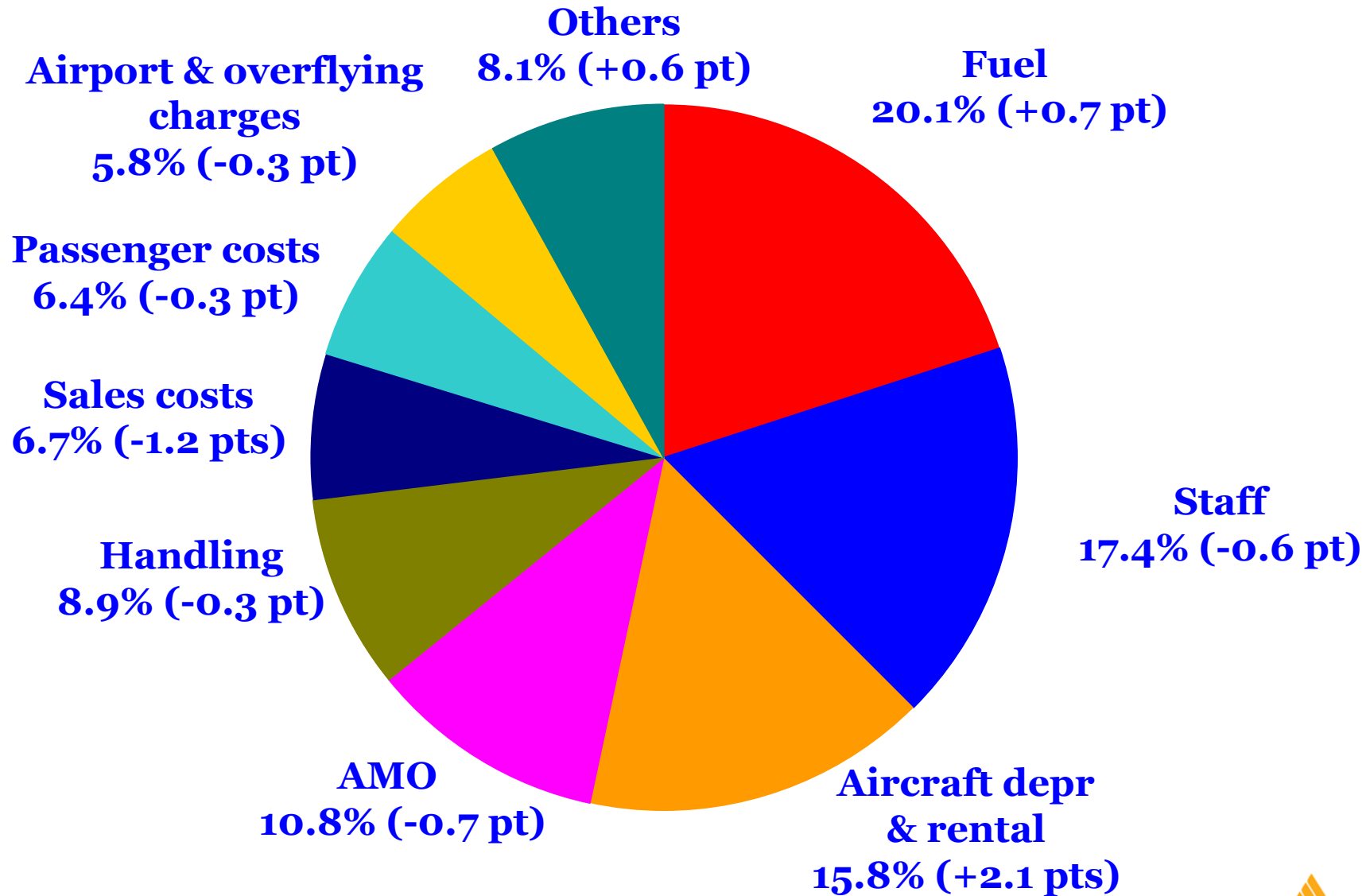
	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
<b>Total Revenue</b>	<b>7,187.6</b>	<b>8,047.0</b>	<b>- 10.7</b>
<b>Total Expenditure</b>	<b>(7,037.4)</b>	<b>(7,838.0)</b>	<b>- 10.2</b>
<b>Operating Profit</b>	<b>150.2</b>	<b>209.0</b>	<b>- 28.1</b>
<b>Net Profit</b>	<b>429.3</b>	<b>618.0</b>	<b>- 30.5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



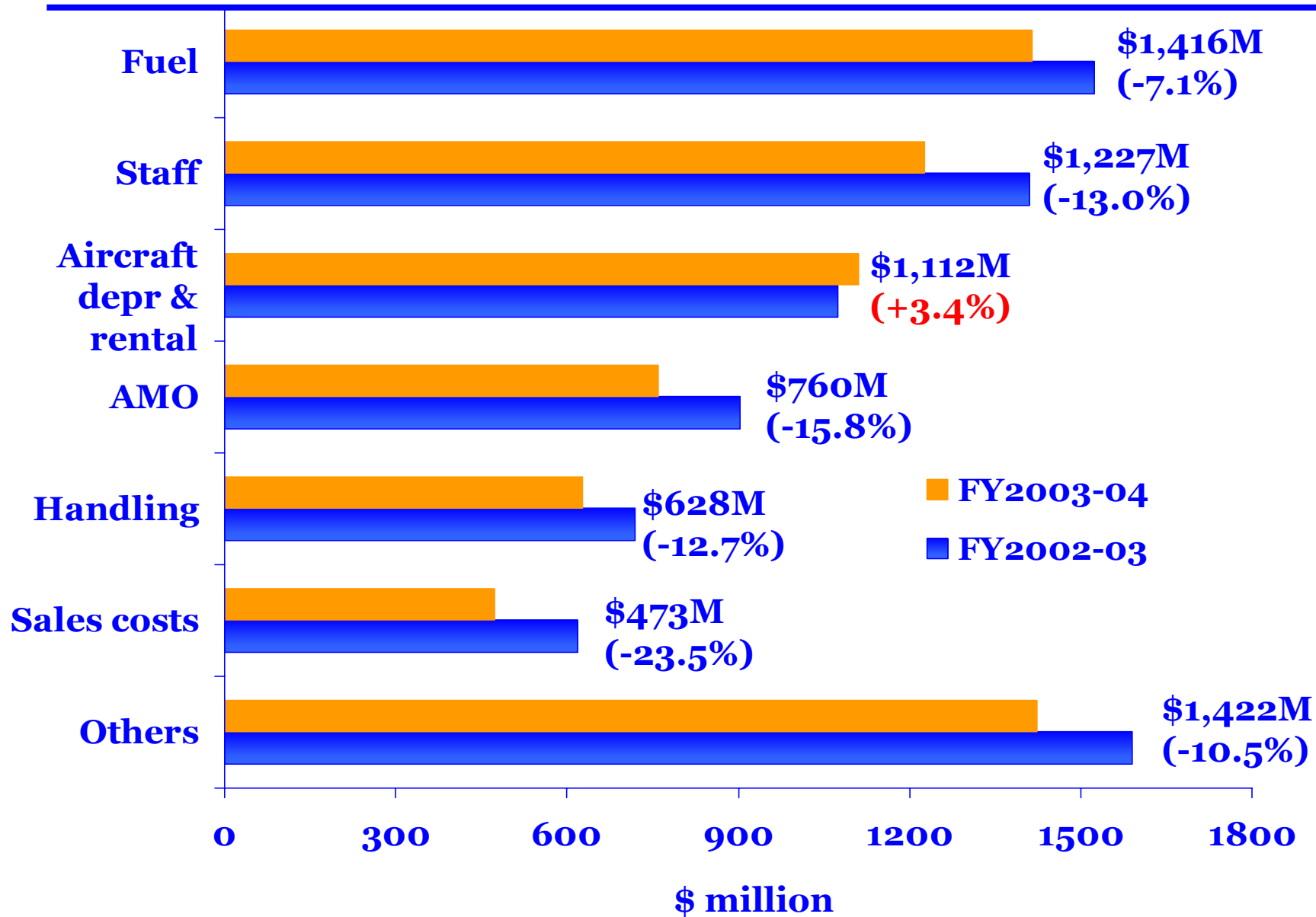
# THE AIRLINE COMPANY RESULTS – FY03/04 vs FY02/03 (\$million)

	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
	<u>Jul03- Mar 04</u>	<u>Jul02- Mar 03</u>	
Total Revenue	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

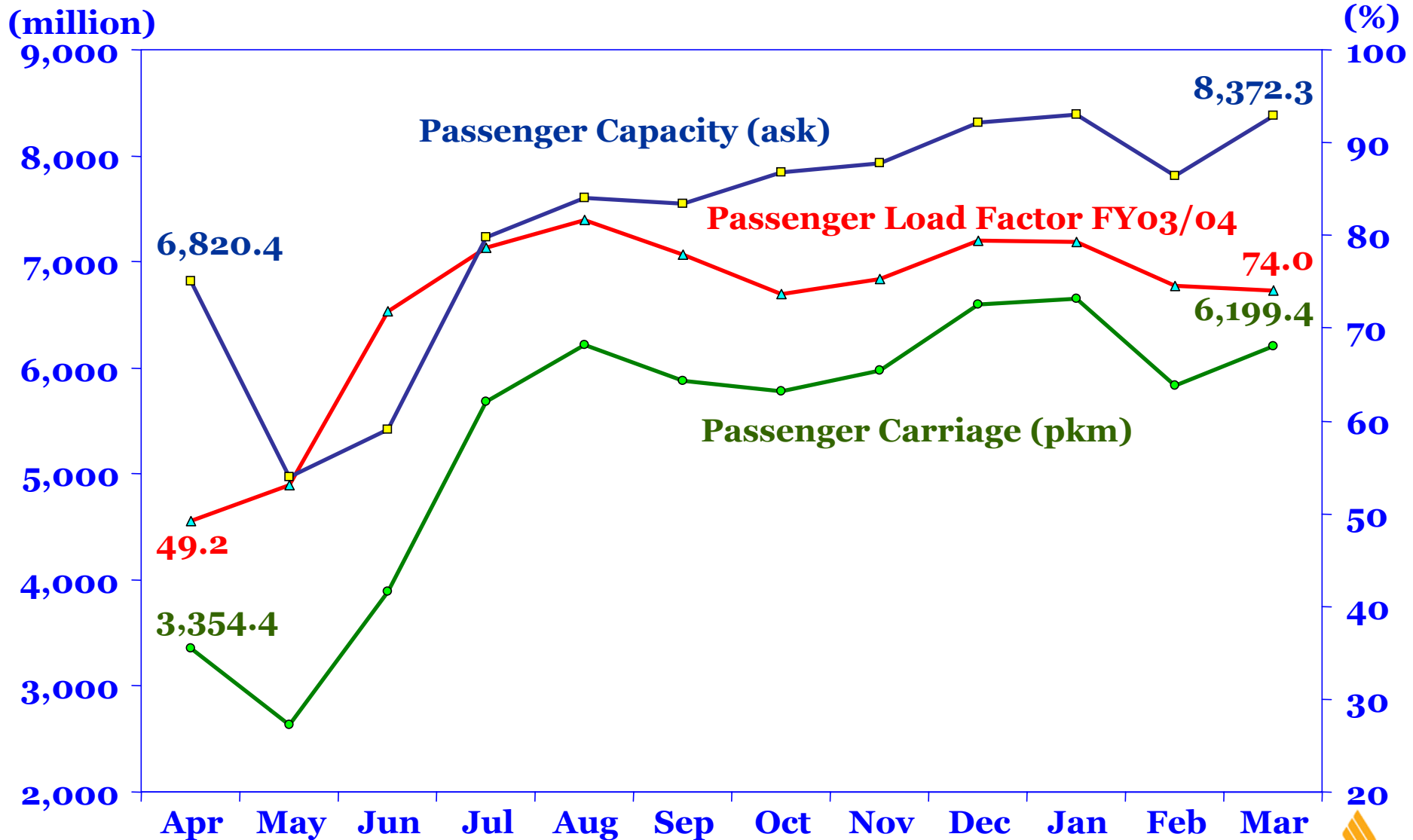


# THE AIRLINE COMPANY OPERATING PERFORMANCE – FY03/04 vs FY02/03

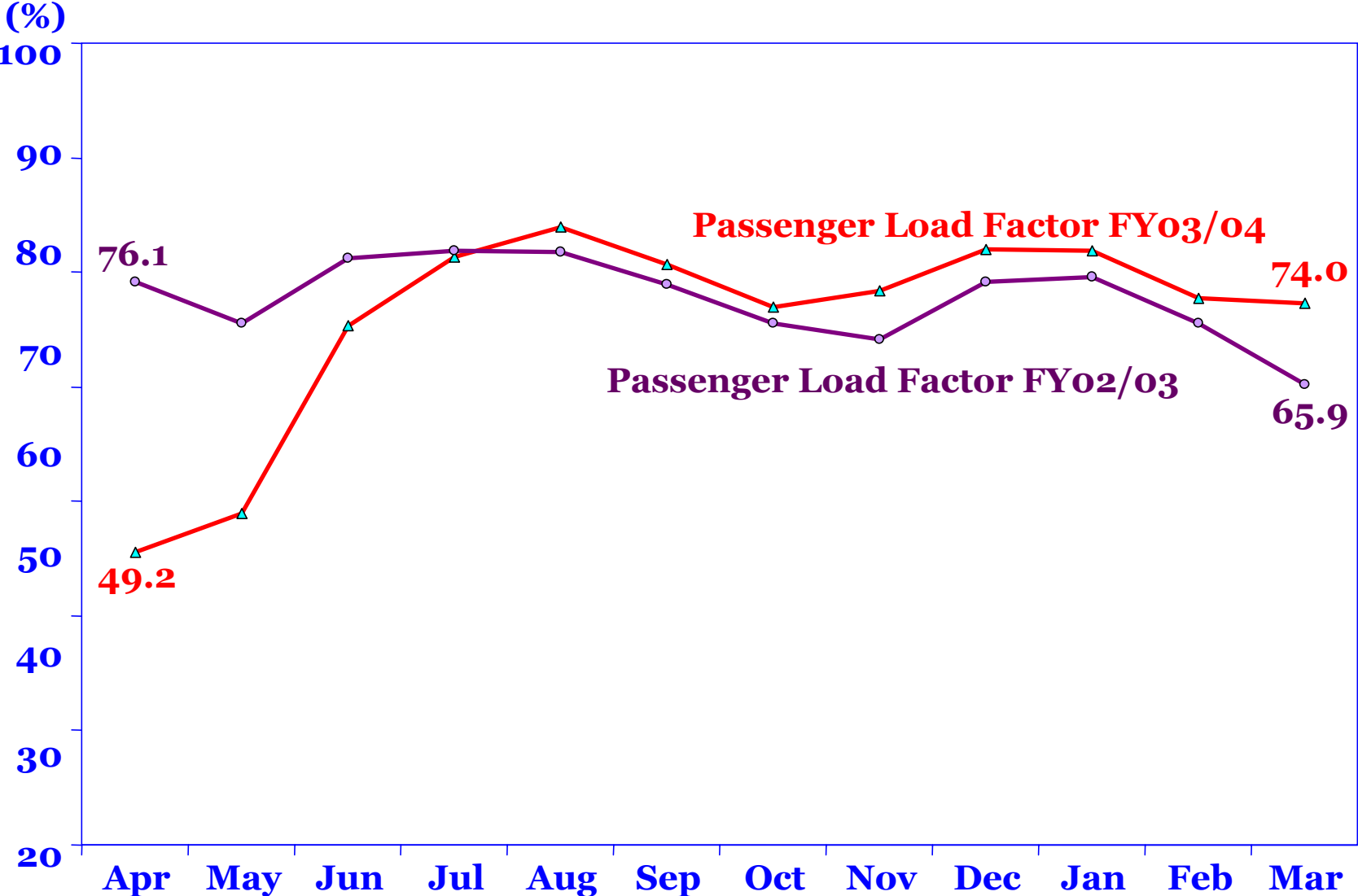
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	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
<b>Seat Capacity (M ask)</b>	<b>88,252.7</b>	<b>99,565.9</b>	<b>- 11.4</b>
<b>Passenger Carriage (M pkm)</b>	<b>64,685.2</b>	<b>74,183.2</b>	<b>- 12.8</b>
<b>Passenger Load Factor (%)</b>	<b>73.3</b>	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

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



# PASSENGER LOAD FACTOR

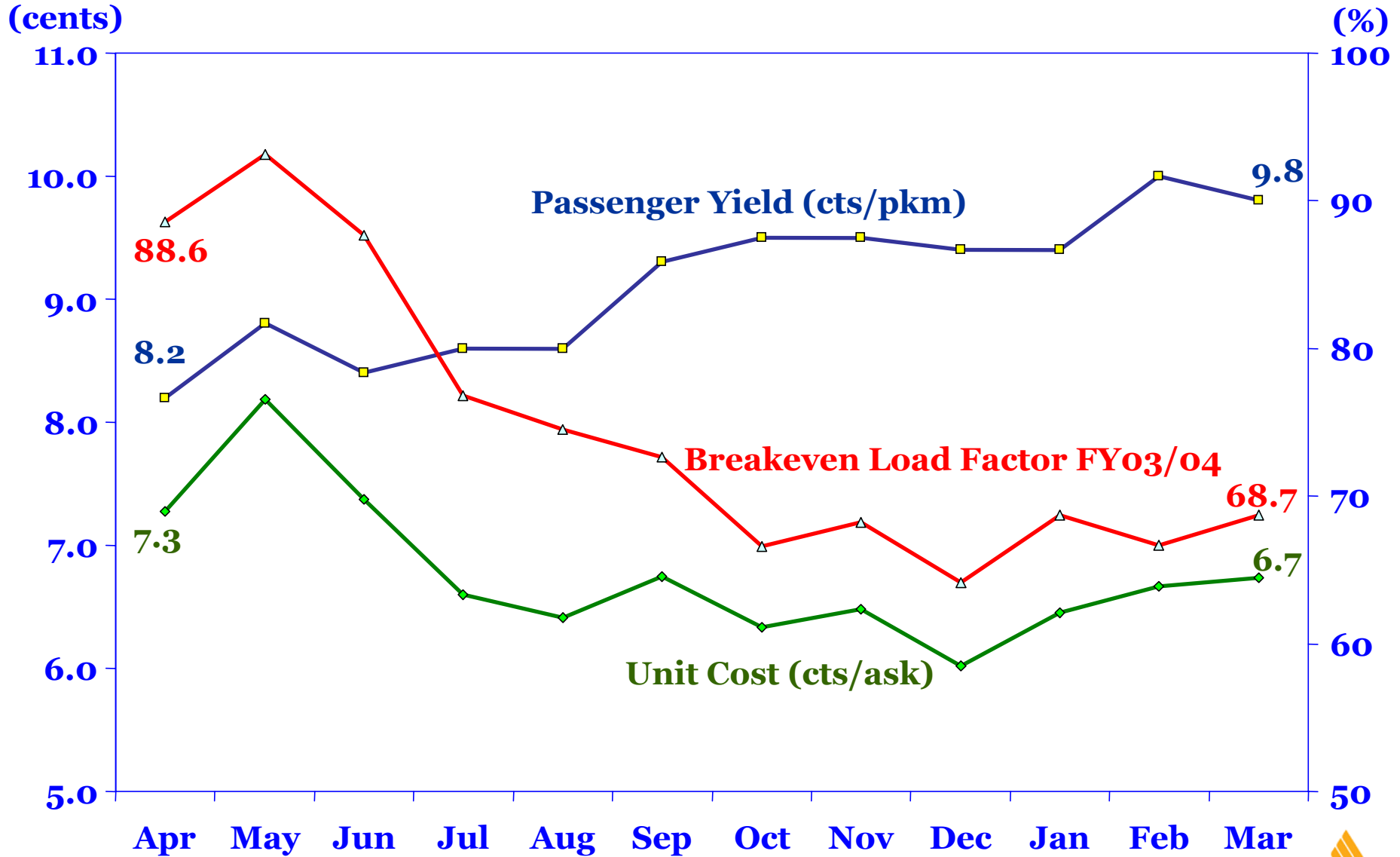


# THE AIRLINE COMPANY OPERATING PERFORMANCE – FY03/04 vs FY02/03

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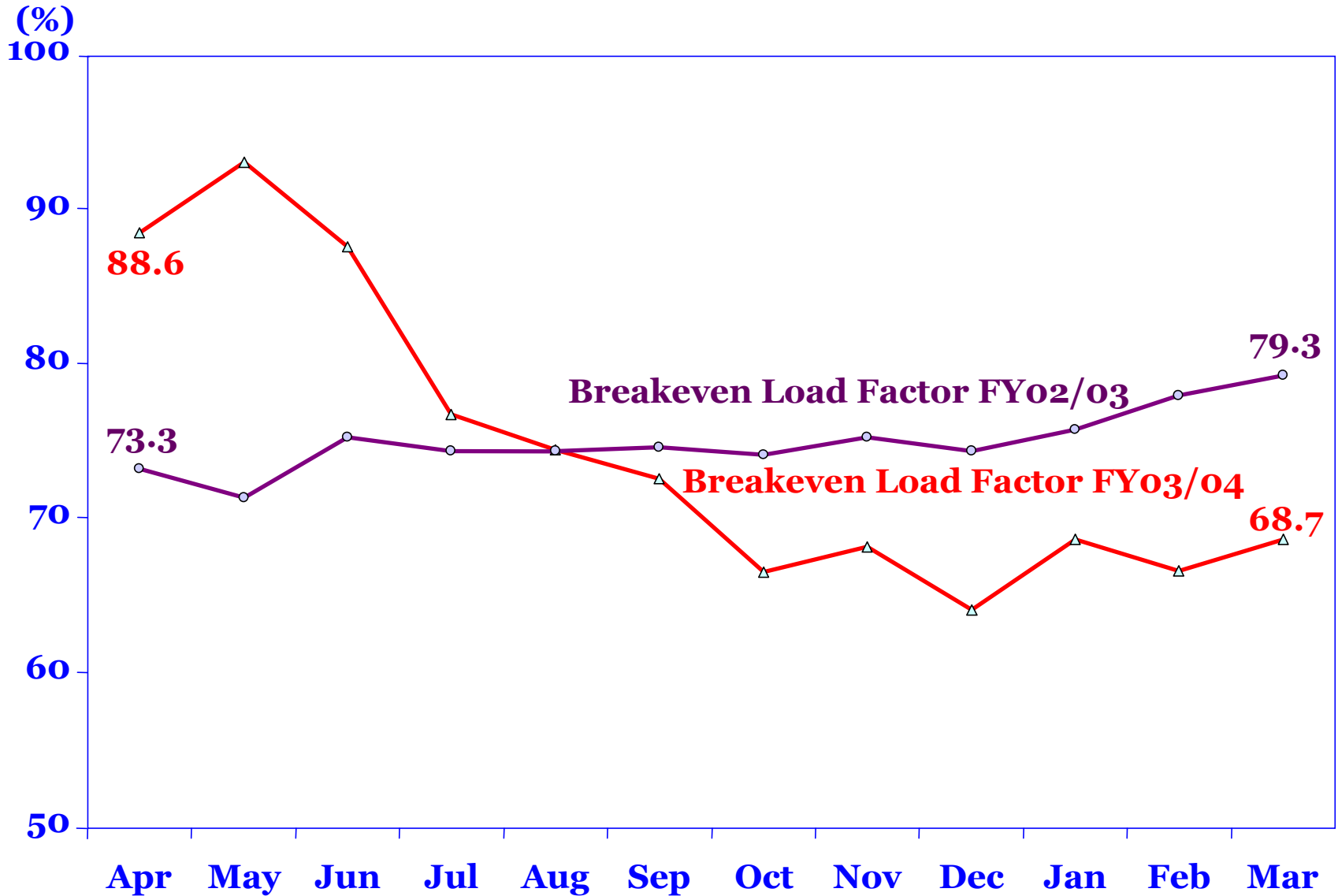
	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>	
<b>Passenger Yield (¢/pkm)</b>	<b>9.2</b>	<b>9.1</b>	<b>+</b>	<b>1.1</b>
<b>Unit Yield (¢/ask)</b>	<b>6.8</b>	<b>6.8</b>		<b>-</b>
<b>Unit Cost (¢/ask)</b>	<b>6.7</b>	<b>6.7</b>		<b>-</b>
<b>Passenger Breakeven Load Factor (%)</b>	<b>72.8</b>	<b>73.6</b>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

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





# BREAKEVEN LOAD FACTOR

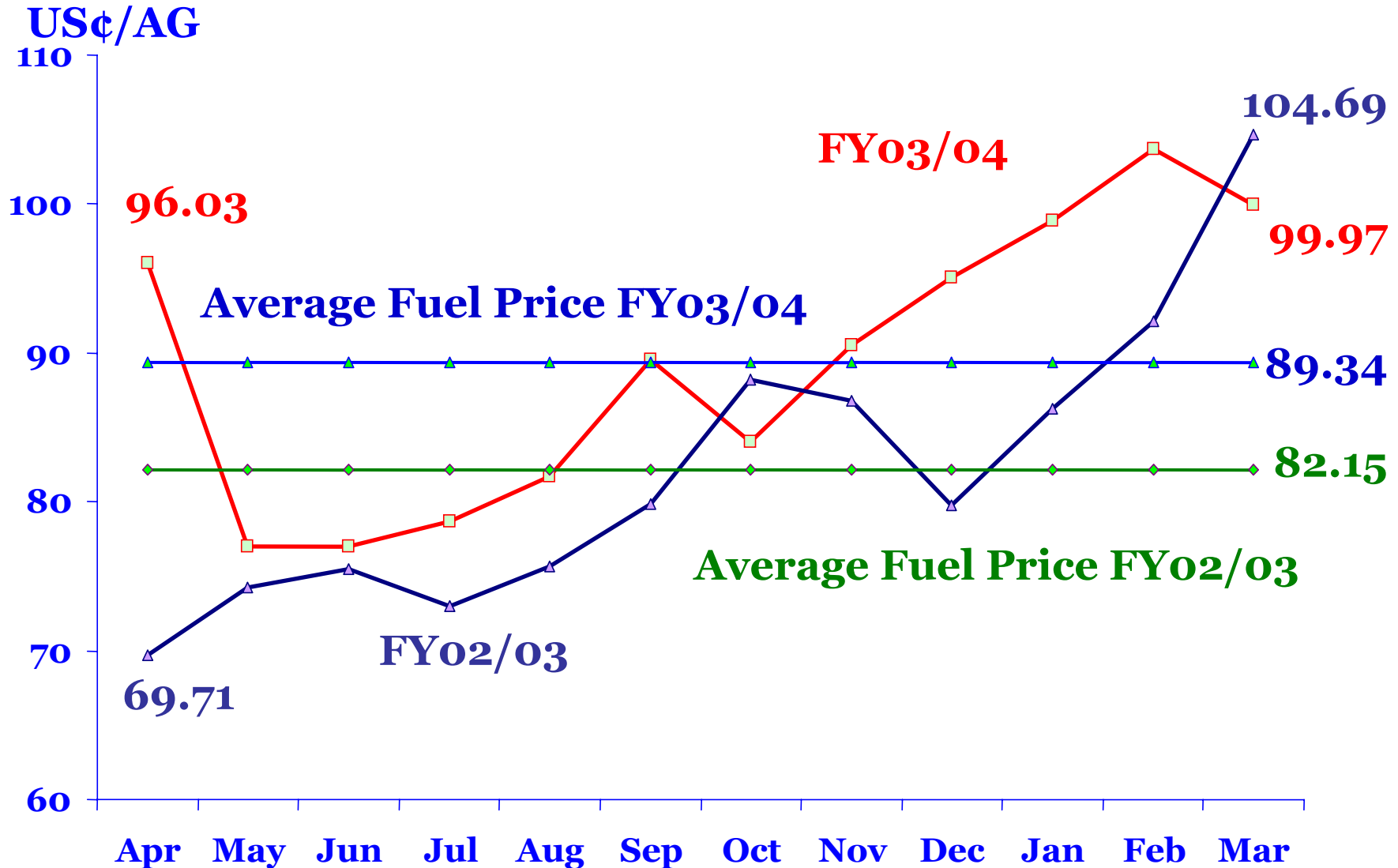


# THE AIRLINE COMPANY – OPERATING PERFORMANCE

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

# FUEL PRICE (INDEPENDENT OF HEDGING)



# FUEL PRICE ANALYSIS

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

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

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

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

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

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

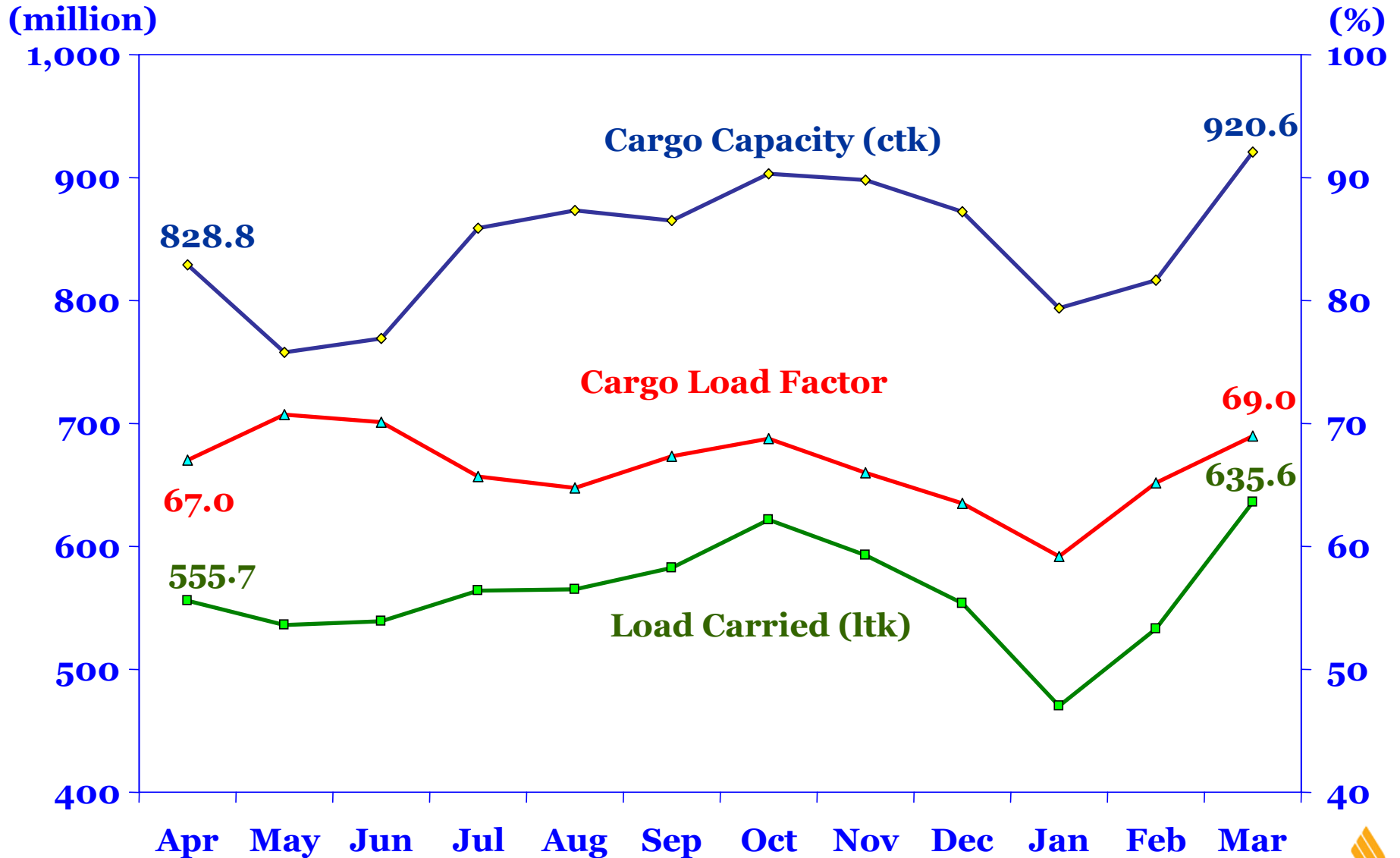
# SIA CARGO OPERATING PERFORMANCE

## – FY03/04 vs FY02/03

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

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





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

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

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

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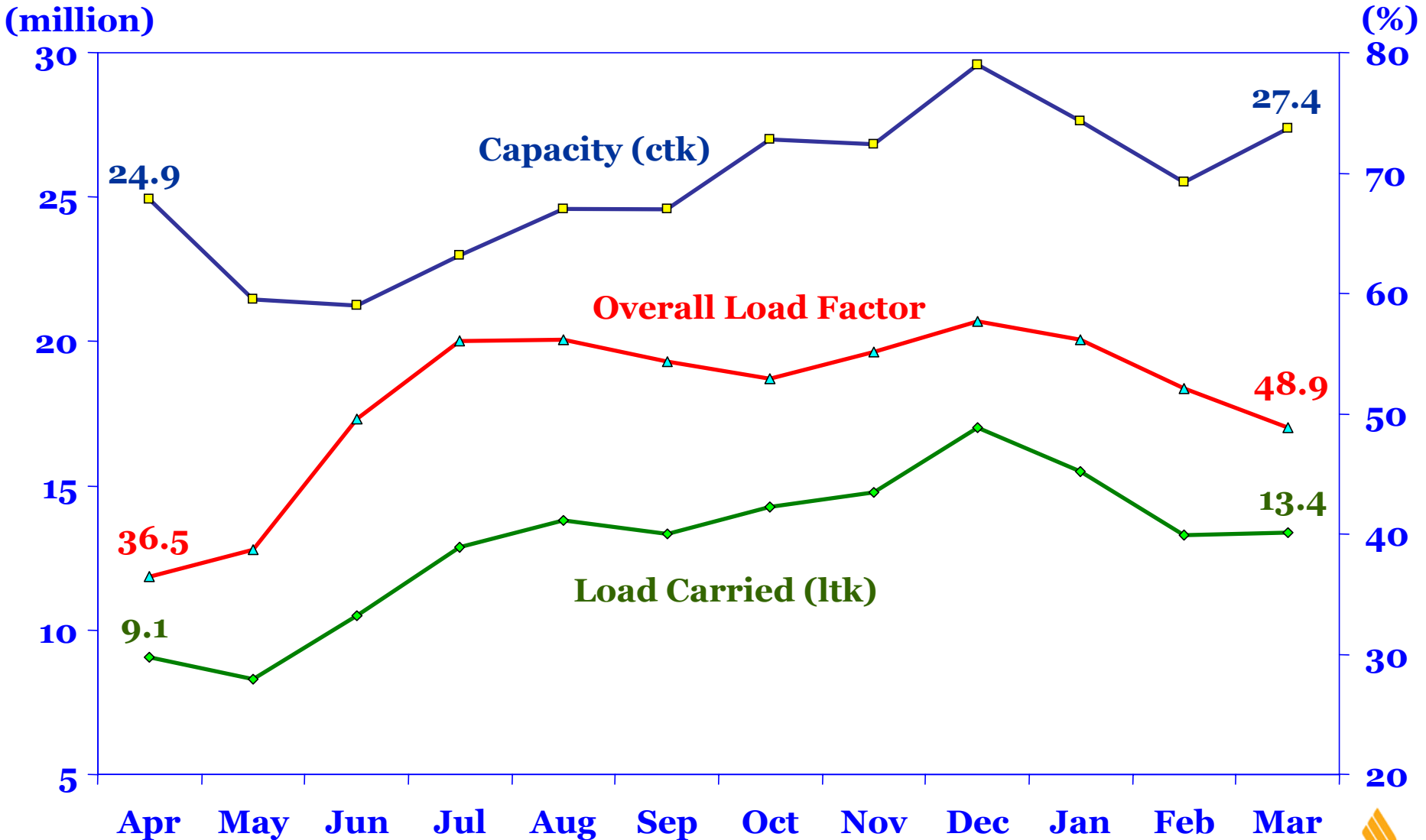
	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
<b>Total Revenue</b>	<b>226.8</b>	<b>254.1</b>	- <b>10.7</b>
<b>Total Expenditure</b>	<b>(210.8)</b>	<b>(227.0)</b>	- <b>7.1</b>
<b>Operating Profit</b>	<b>16.0</b>	<b>27.1</b>	- <b>41.1</b>
<b>Net Profit</b>	<b>15.7</b>	<b>31.6</b>	- <b>50.4</b>

# SILKAIR OPERATING PERFORMANCE – FY03/04 vs FY02/03

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	<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

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

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

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

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# OUTLOOK

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

# PASSENGER NETWORK EXPANSION – FY03/04

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



# PASSENGER NETWORK EXPANSION – FY03/04

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

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

# PASSENGER FLEET CHANGES

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2004-05

2005-06

**At 1 April**

**85**

**89**

**New Deliveries**

- **2 A340-500s**
- **5 B777s**

- **2 A380-800s**
- **1 B777**

**De-commissioning  
of Aircraft**

- **3 B747-400s**

- **3 B747-400s**

**At 31 March**

**89**

**89**

# GROUP FUEL HEDGING POSITION – FY04/05

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- **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