



SINGAPORE AIRLINES GROUP ANALYSTS / MEDIA BRIEFING

FY2008-09 RESULTS

15 MAY 2009



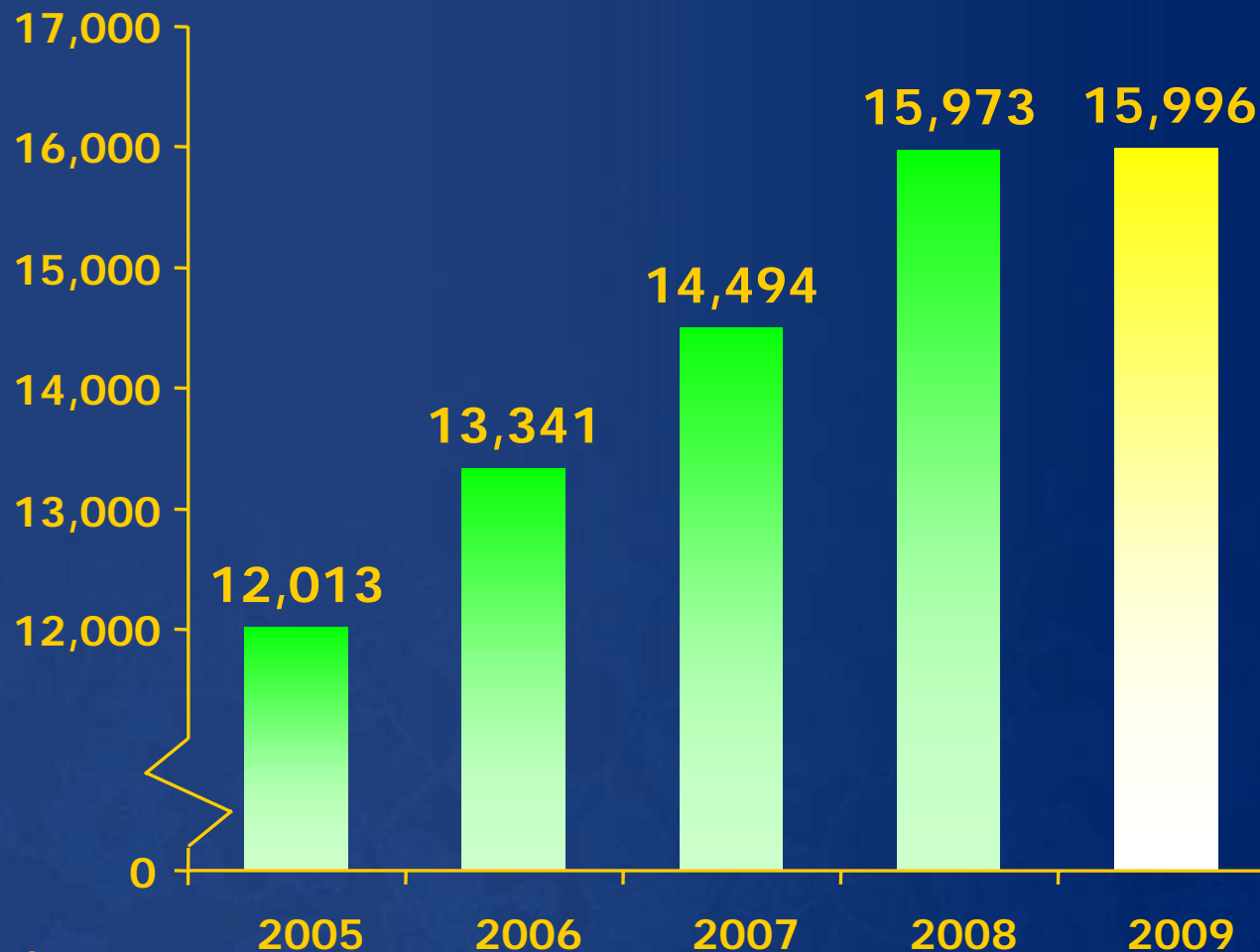
**THE GROUP
FY2008-09
RESULTS**

GROUP REVENUE

– FY2008/09 (\$ million)



(\$ million)



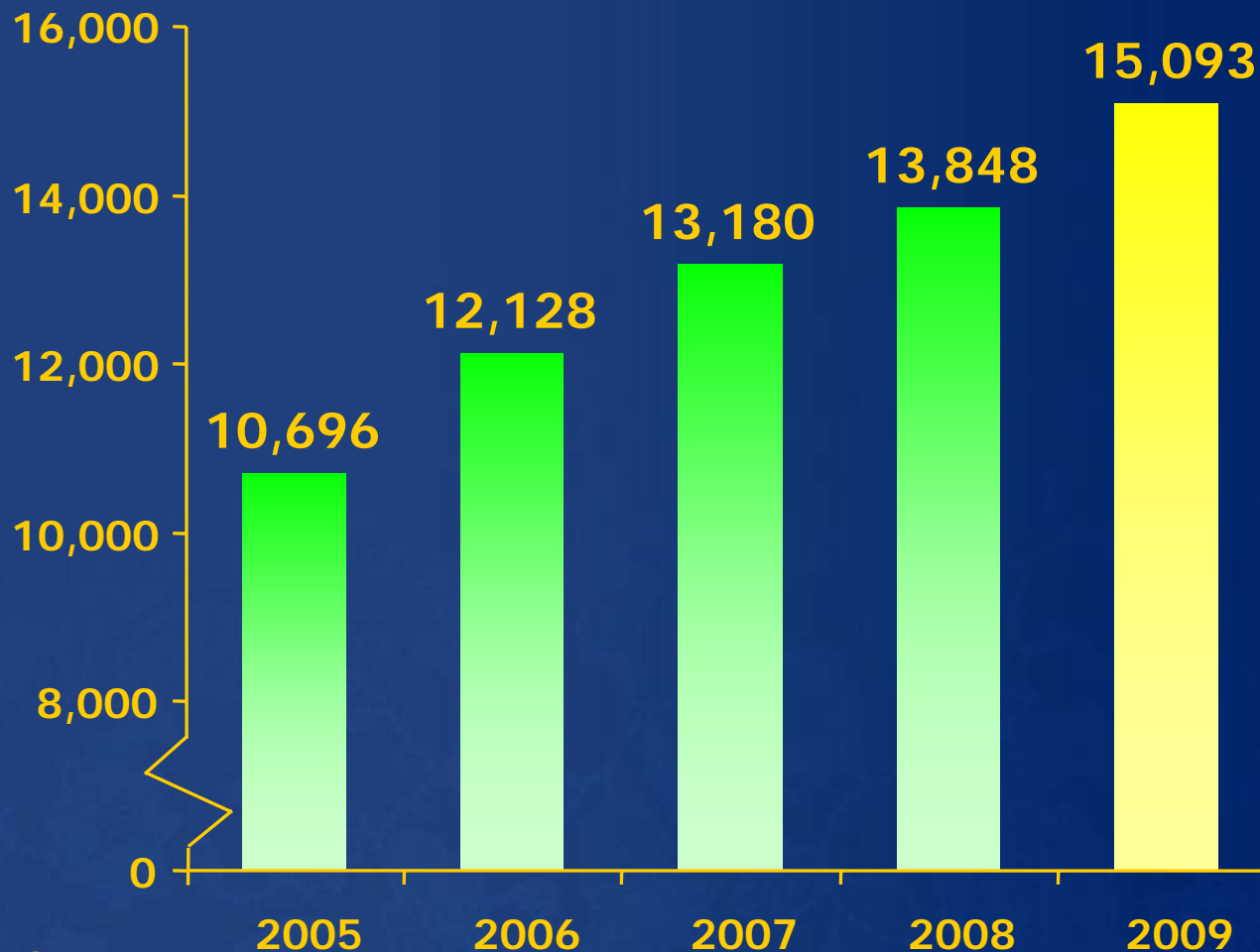
Group Revenue
↑ 0.1%

5-Year CAGR
+ 7.4%

GROUP EXPENDITURE – FY2008/09 (\$ million)



(\$ million)



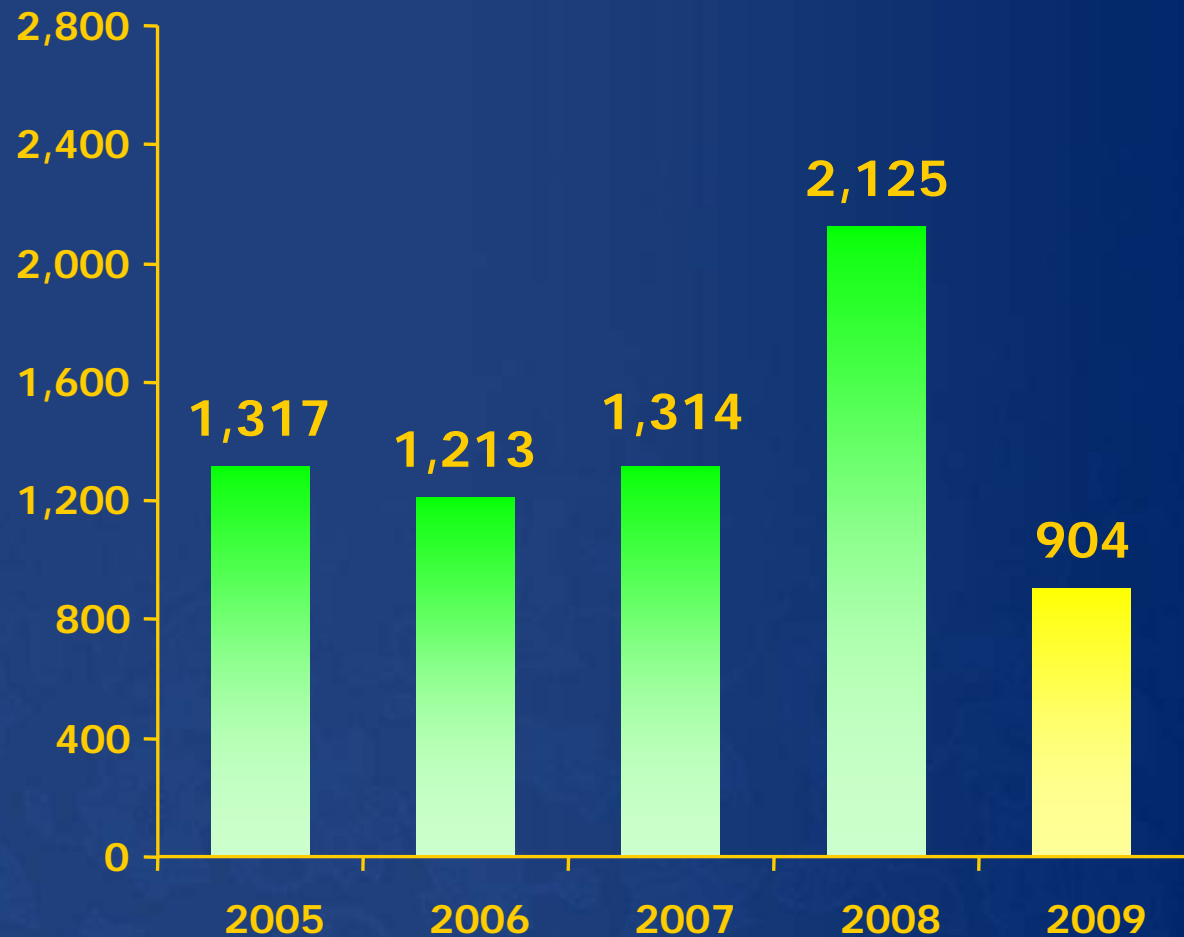
Group Expenditure
↑ 9.0%

5-Year CAGR
+ 9.0%

GROUP OPERATING PROFIT – FY2008/09 (\$ million)

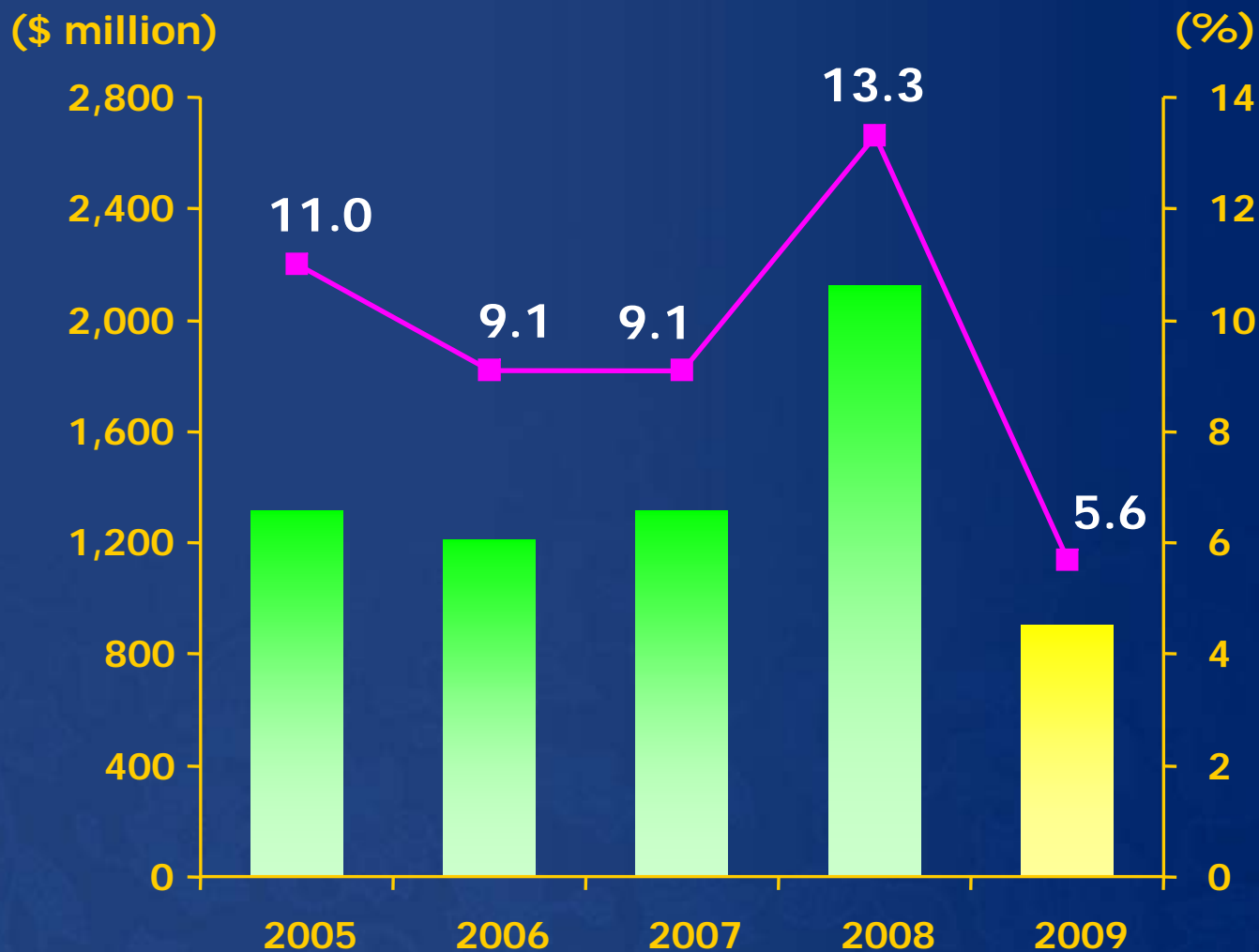


(\$ million)



Operating Profit
↓ 57.5%

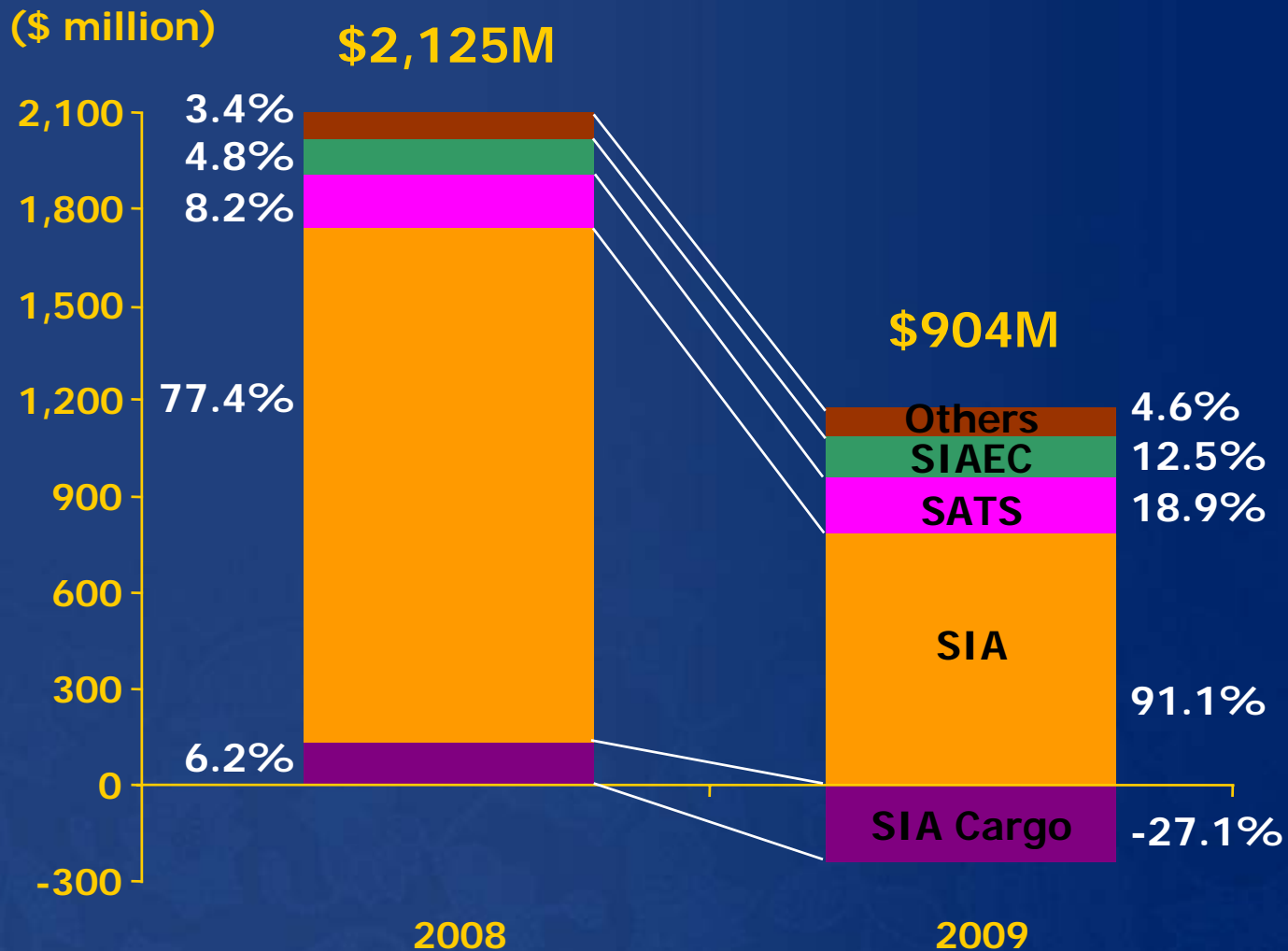
GROUP OPERATING PROFIT – FY2008/09 (\$ million)



Operating Profit
↓ 57.5%

Operating Profit Margin
↓ 7.7% pts

CONTRIBUTION TO GROUP OPERATING PROFIT – FY2008/09



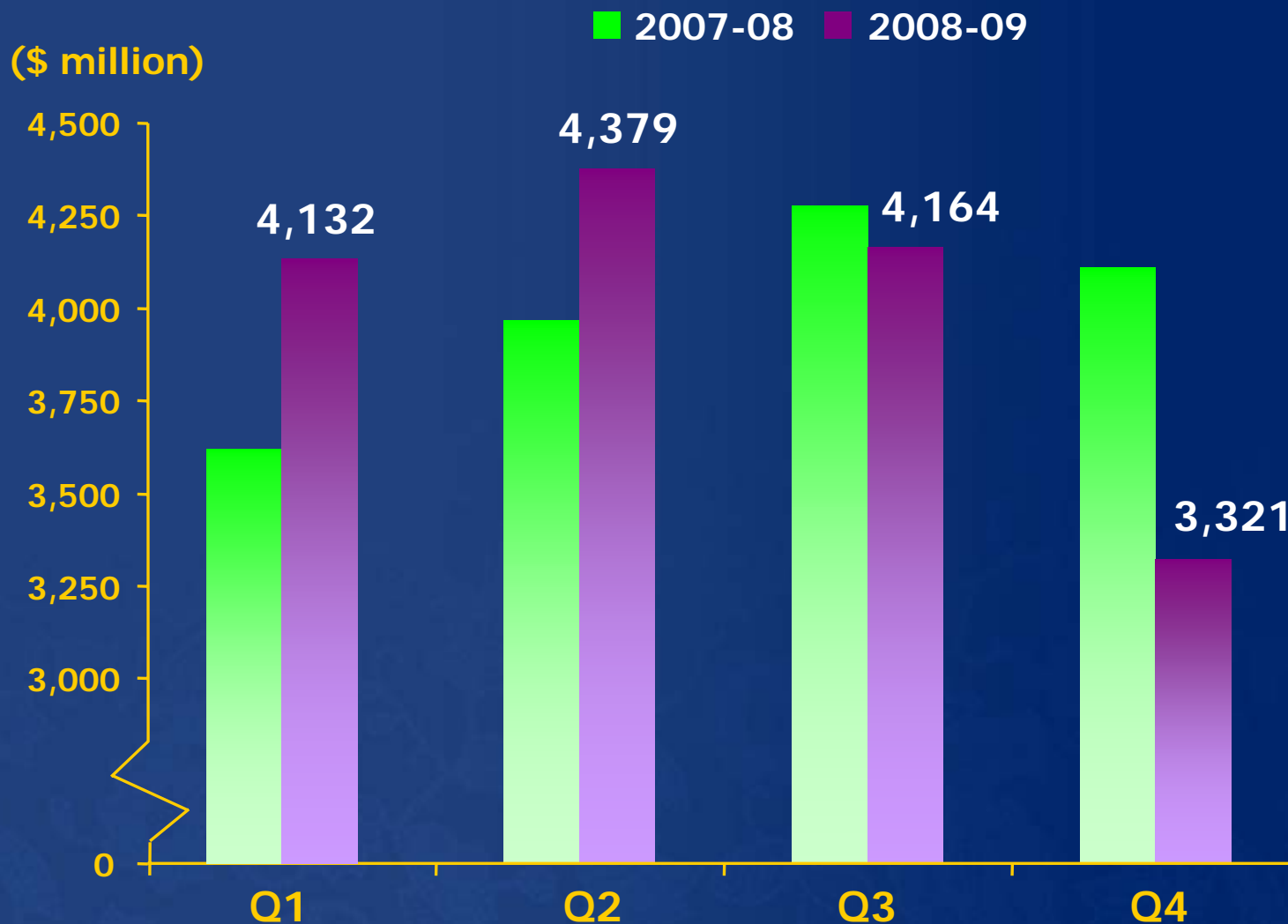
SIA
 ↓ **\$821M**
 (-49.9%)

SATS Group
 ↓ **\$3M**
 (-2.0%)

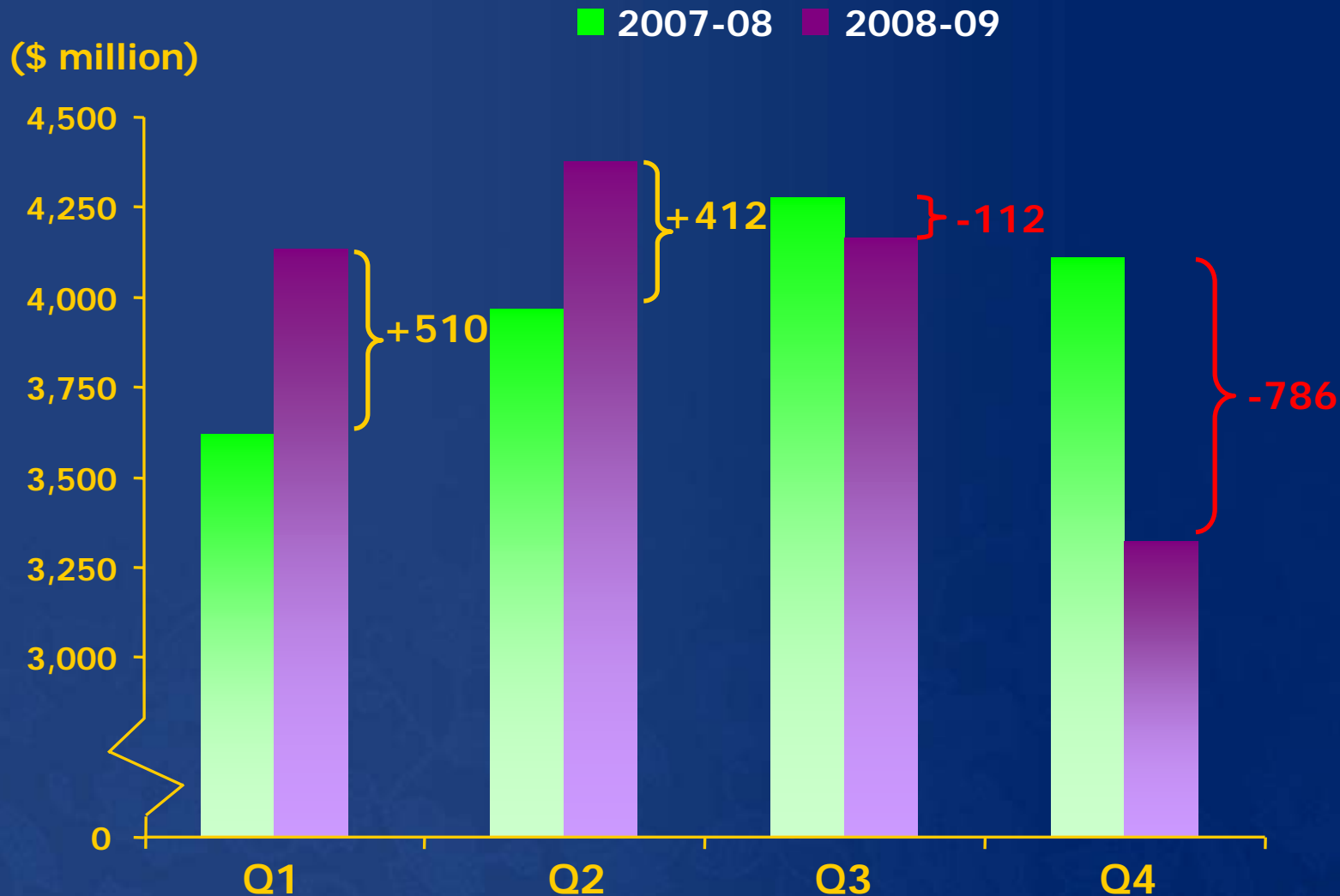
SIAEC
 ↑ **\$10M**
 (+9.4%)

SIA Cargo
 ↓ **\$377M**

GROUP REVENUE – FY2008/09 (\$ million)



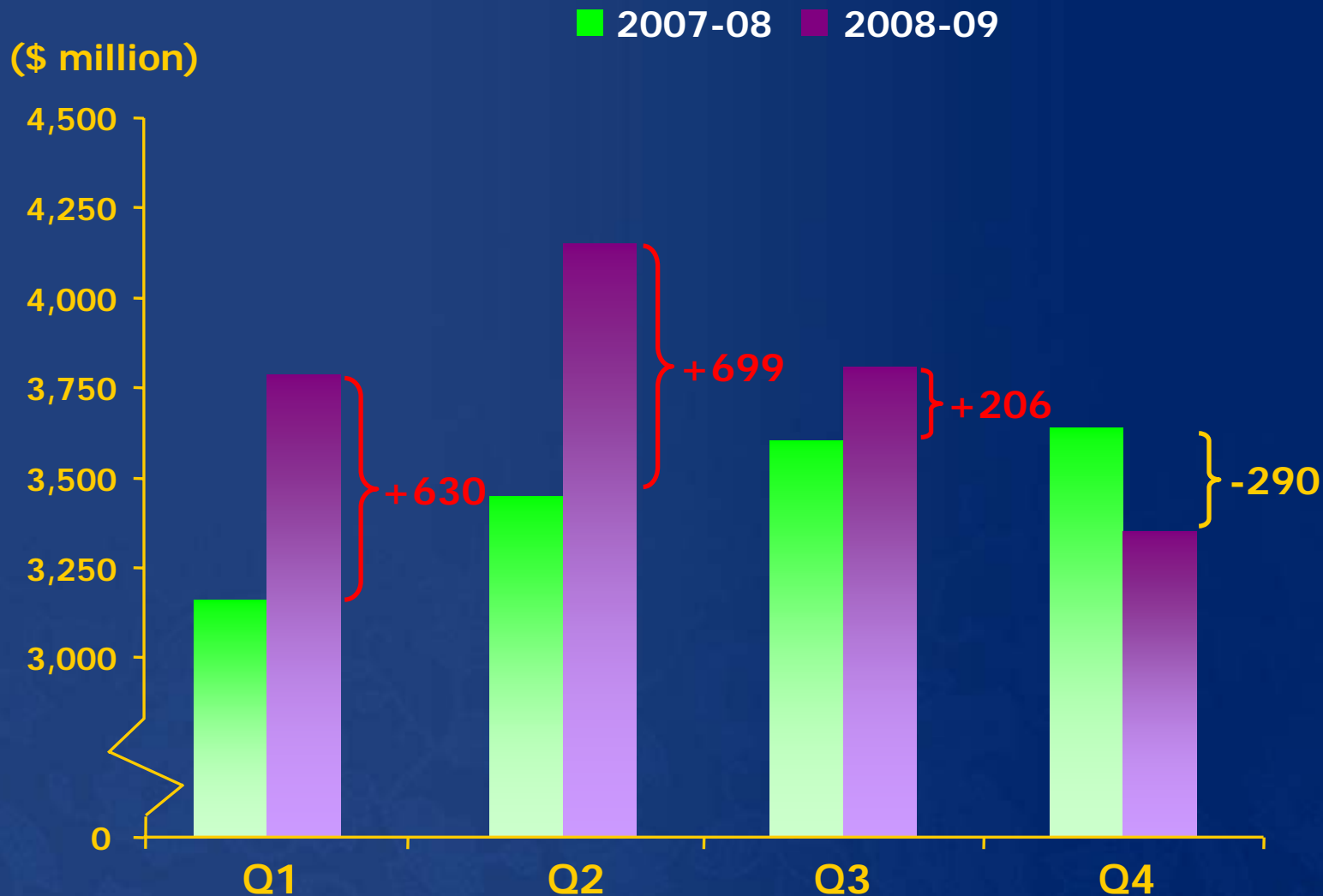
GROUP REVENUE – FY2008/09 (\$ million)



GROUP EXPENDITURE – FY2008/09 (\$ million)



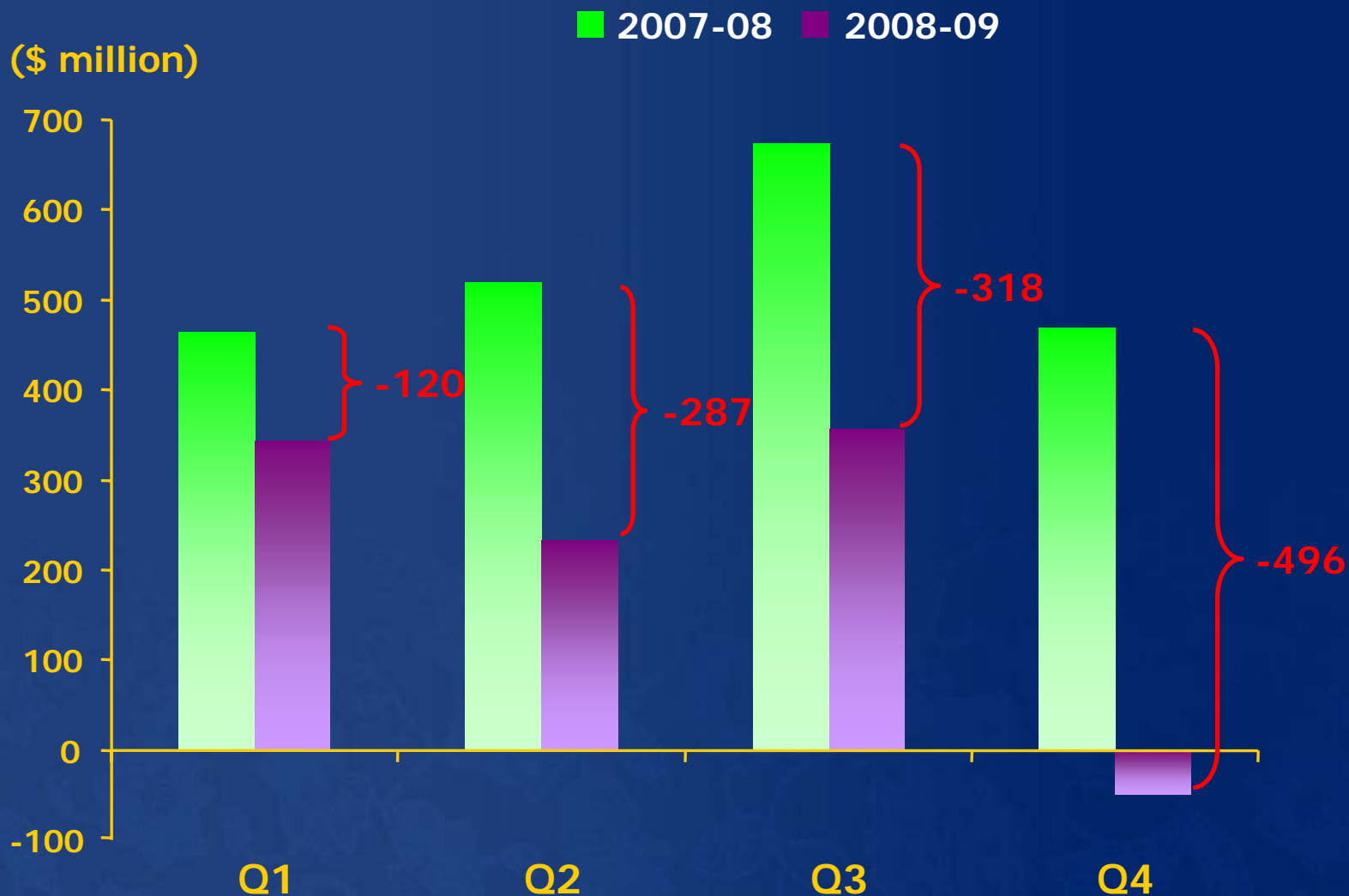
GROUP EXPENDITURE – FY2008/09 (\$ million)



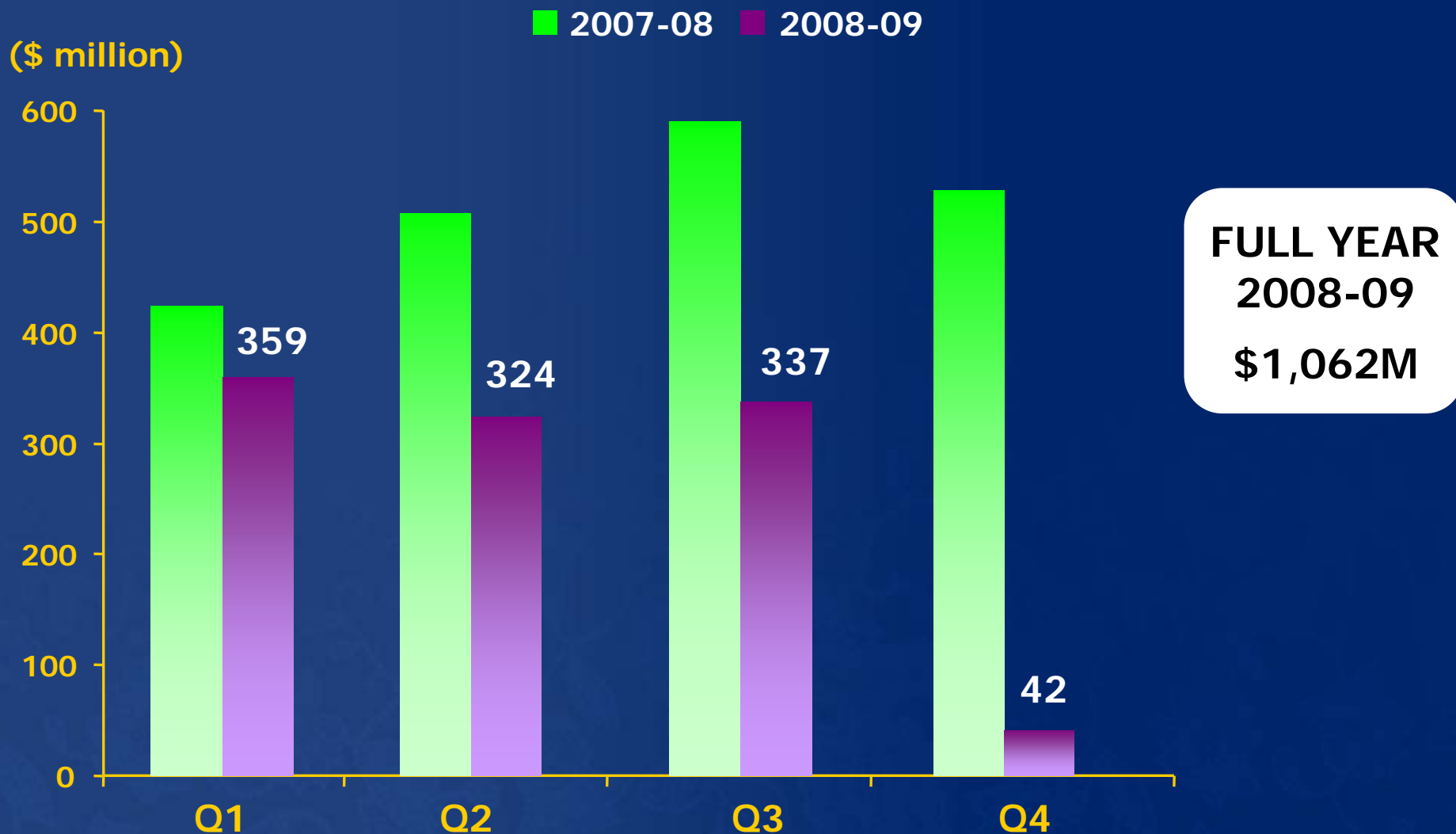
GROUP OPERATING PROFIT – FY2008/09 (\$ million)



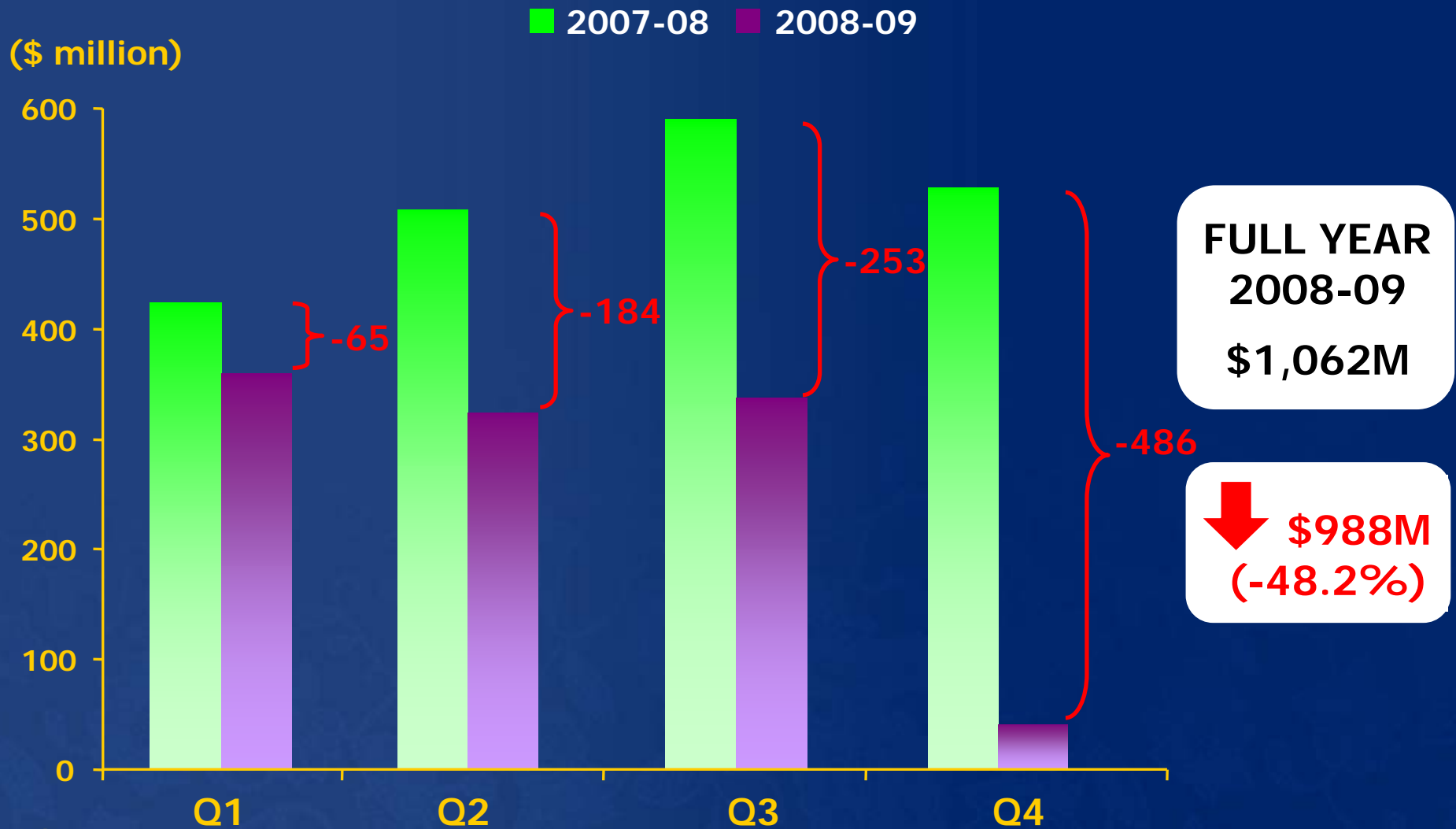
GROUP OPERATING PROFIT – FY2008/09 (\$ million)



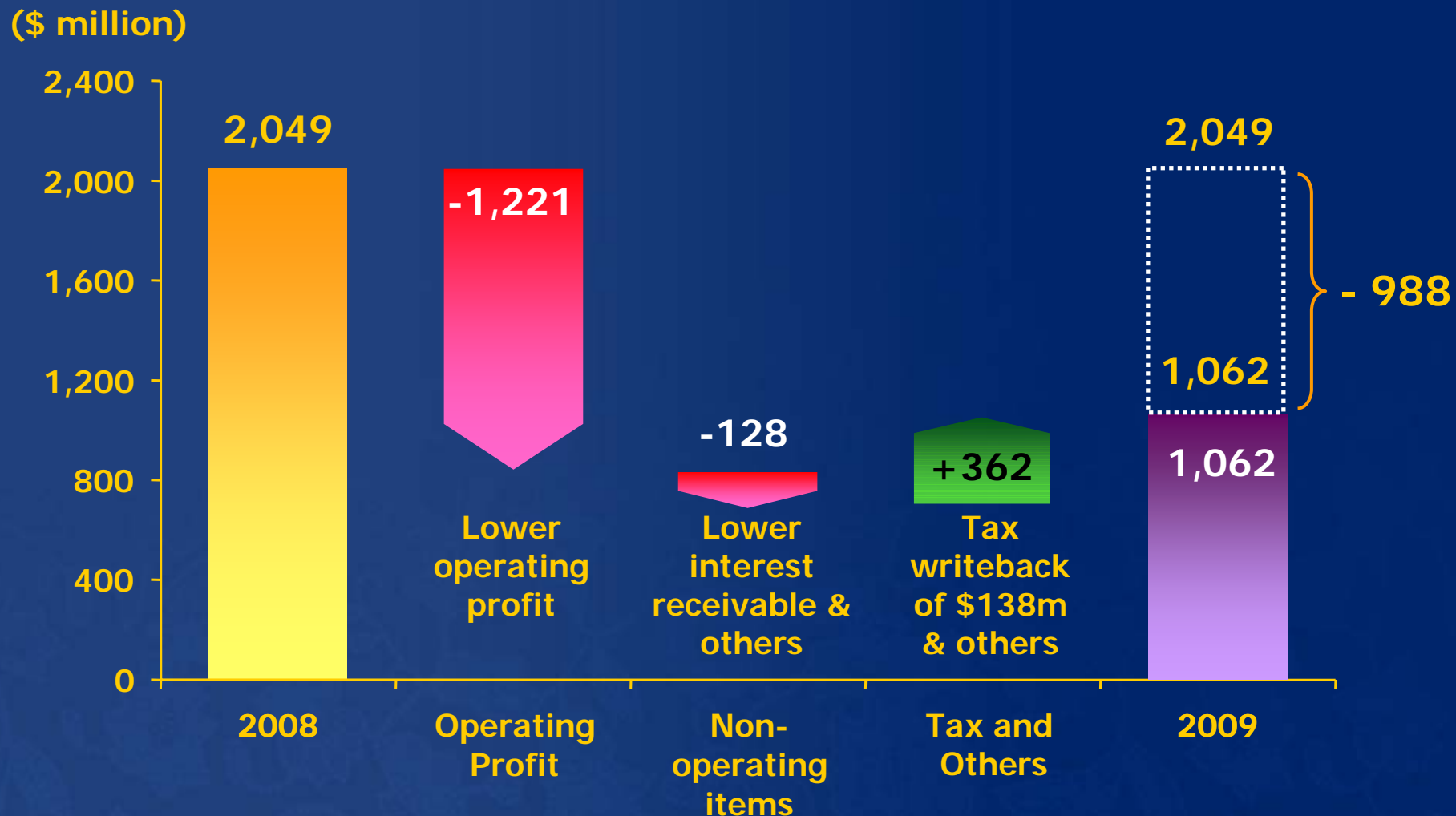
GROUP NET PROFIT – FY2008/09 (\$ million)



GROUP NET PROFIT – FY2008/09 (\$ million)



GROUP NET PROFIT – FY2008/09



**THE PARENT AIRLINE
FY2008-09
RESULTS**

THE PARENT AIRLINE COMPANY RESULTS – FY2008/09 (\$ million)



	<u>2008-09</u>	<u>2007-08</u>	<u>% Change</u>
Total Revenue	13,049.5	12,759.6	+ 2.3
Total Expenditure	(12,226.6)	(11,115.6)	+ 10.0
- <i>Fuel Cost</i>	(5,043.1)	(4,240.3)	+ 18.9
- <i>Fuel Hedging (Loss)/Gain</i>	(306.3)	185.4	n.m.
- <i>Ex-fuel Cost</i>	(6,877.2)	(7,060.7)	- 2.6
Operating Profit	822.9	1,644.0	- 49.9

THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2008/09

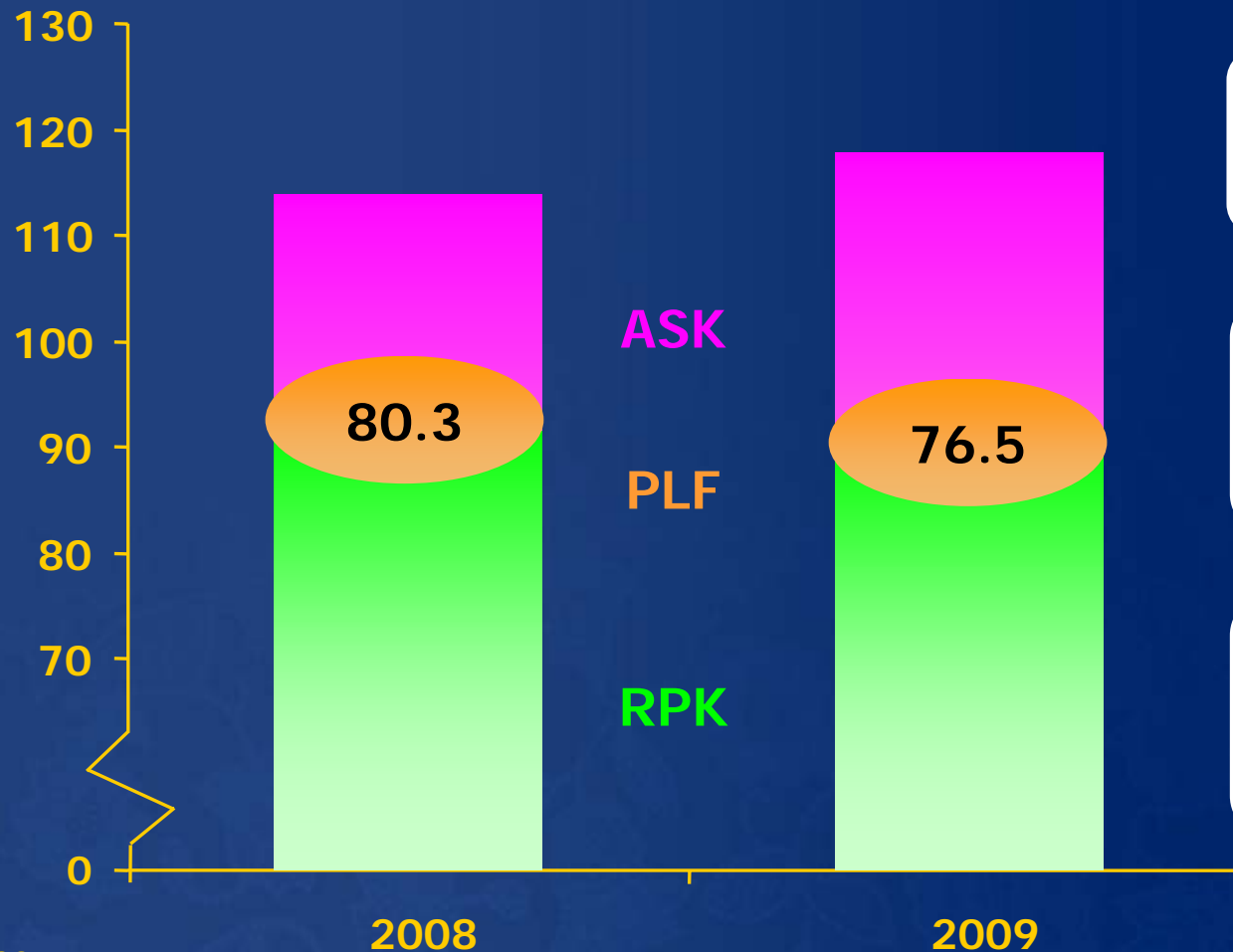


	<u>2008-09</u>	<u>2007-08</u>	<u>% Change</u>	
Passenger Yield (¢/pkm)	12.5	12.1	+	3.3
Unit Cost (¢/ask)	9.2	8.4	+	9.5
Passenger Breakeven Load Factor (%)	73.6	69.4	+	4.2 pts

THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2008/09



(Billion KM)



Capacity (ASK)
↑ 3.4%

Passenger Carriage (RPK)
↓ 1.5%

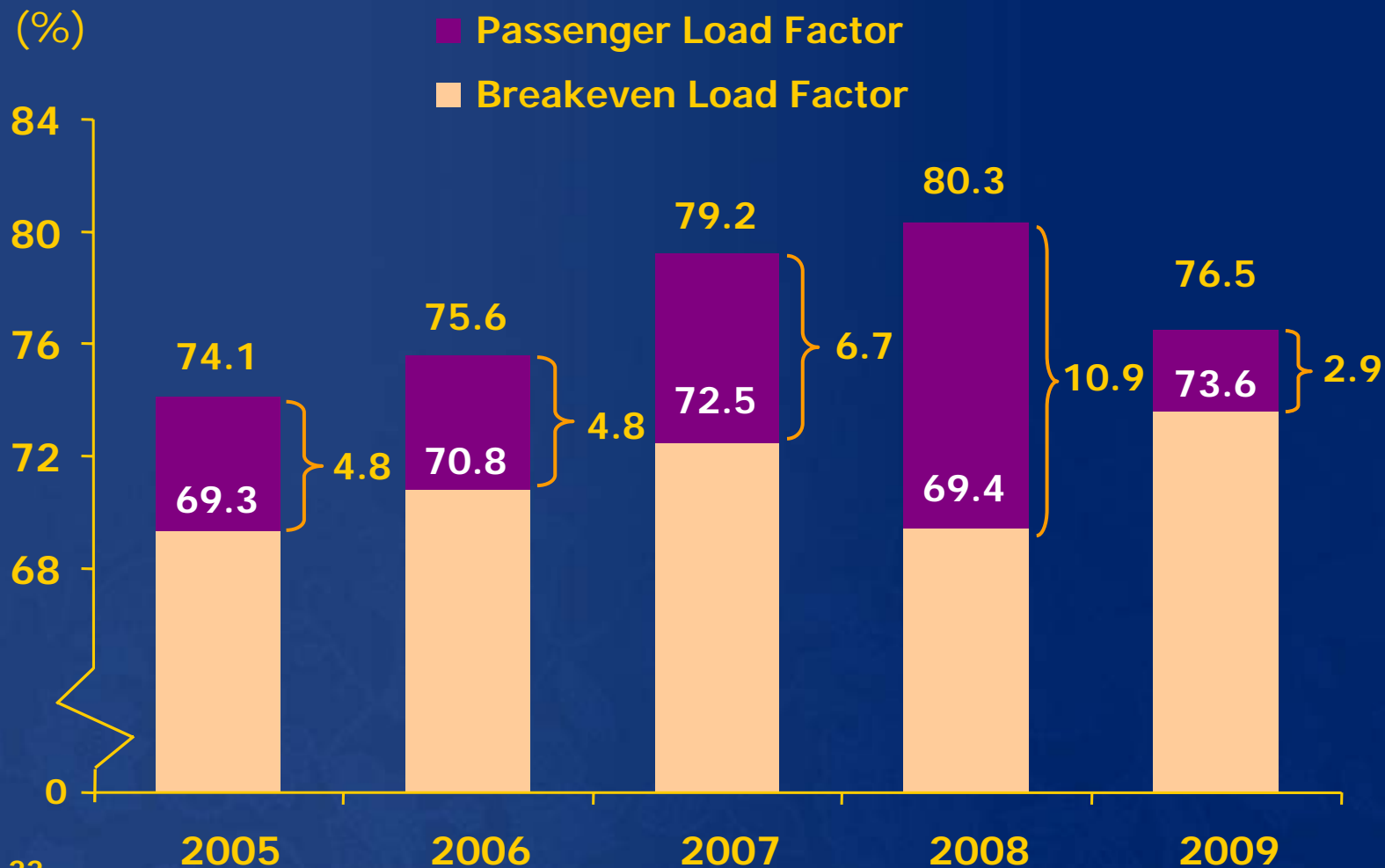
Pax. Load Factor (%)
↓ 3.8% pts

THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2008/09

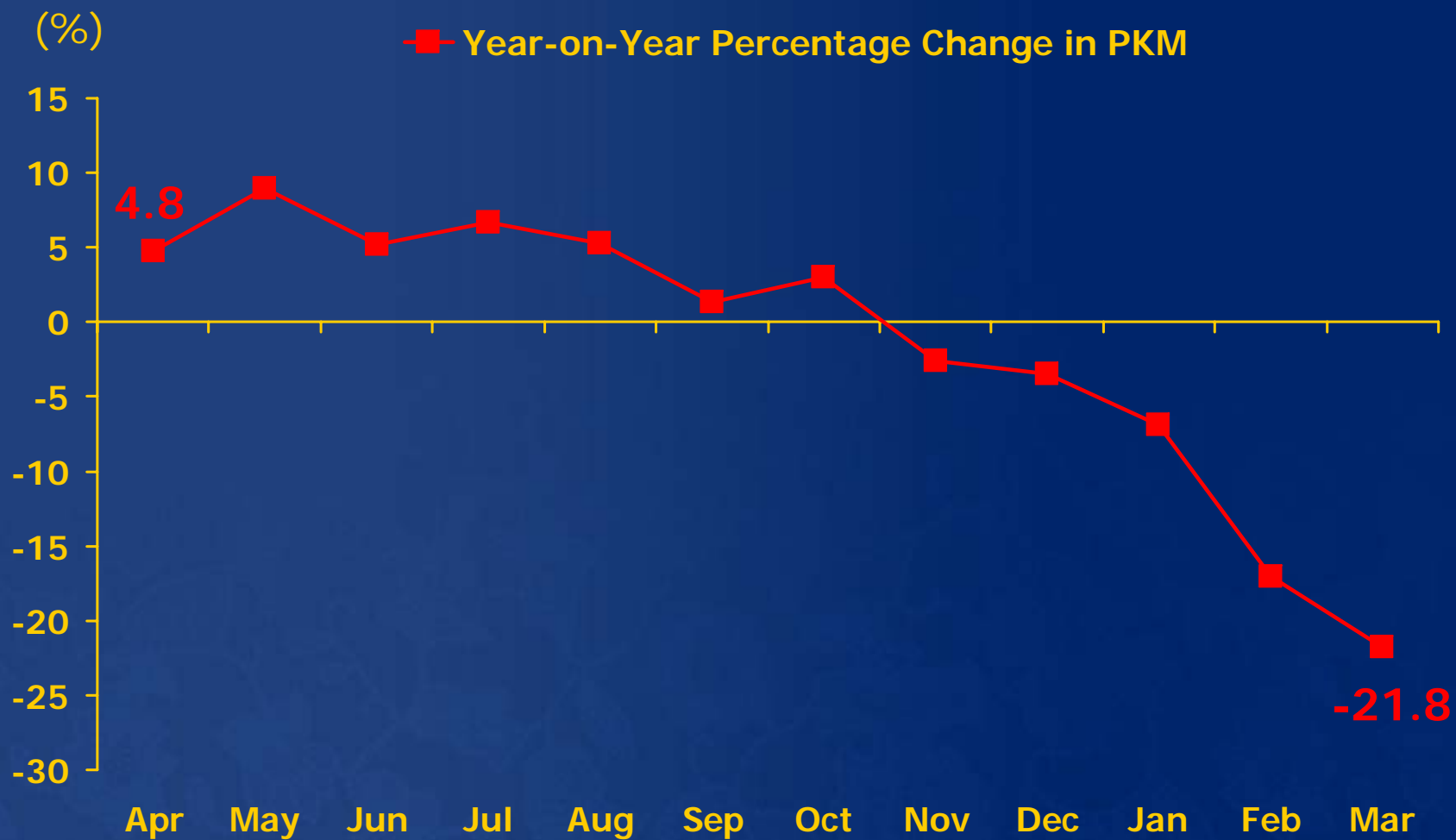


	<u>2008-09</u>	<u>2007-08</u>	<u>% Change</u>		
Passenger Load Factor (%)	76.5	80.3	-	3.8	pts
Passenger Breakeven Load Factor (%)	73.6	69.4	+	4.2	pts
Passenger Load Factor Spread (%)	2.9 pts	10.9 pts	-	8.0	pts

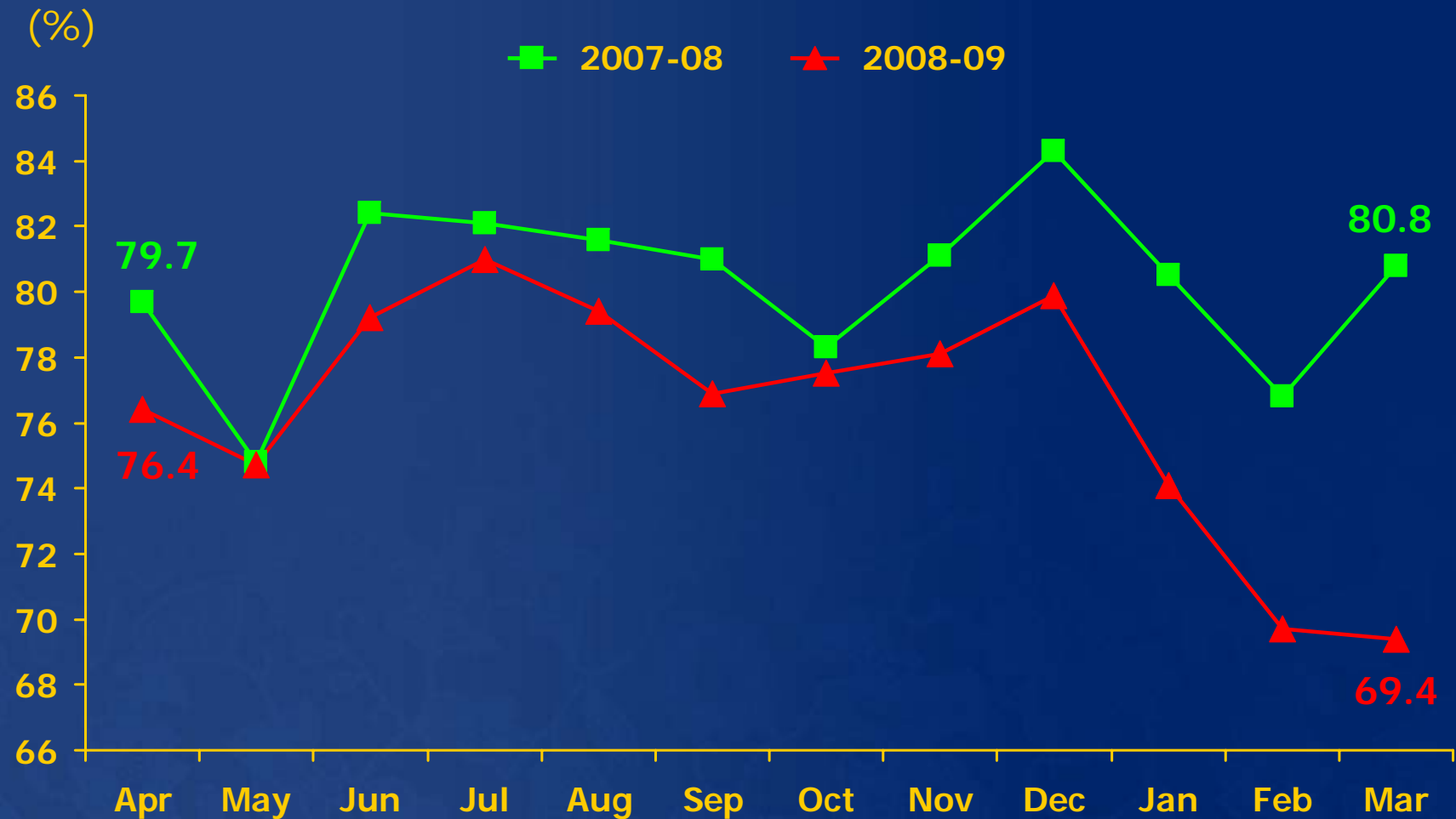
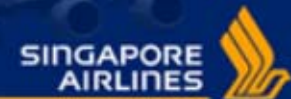
THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2008/09



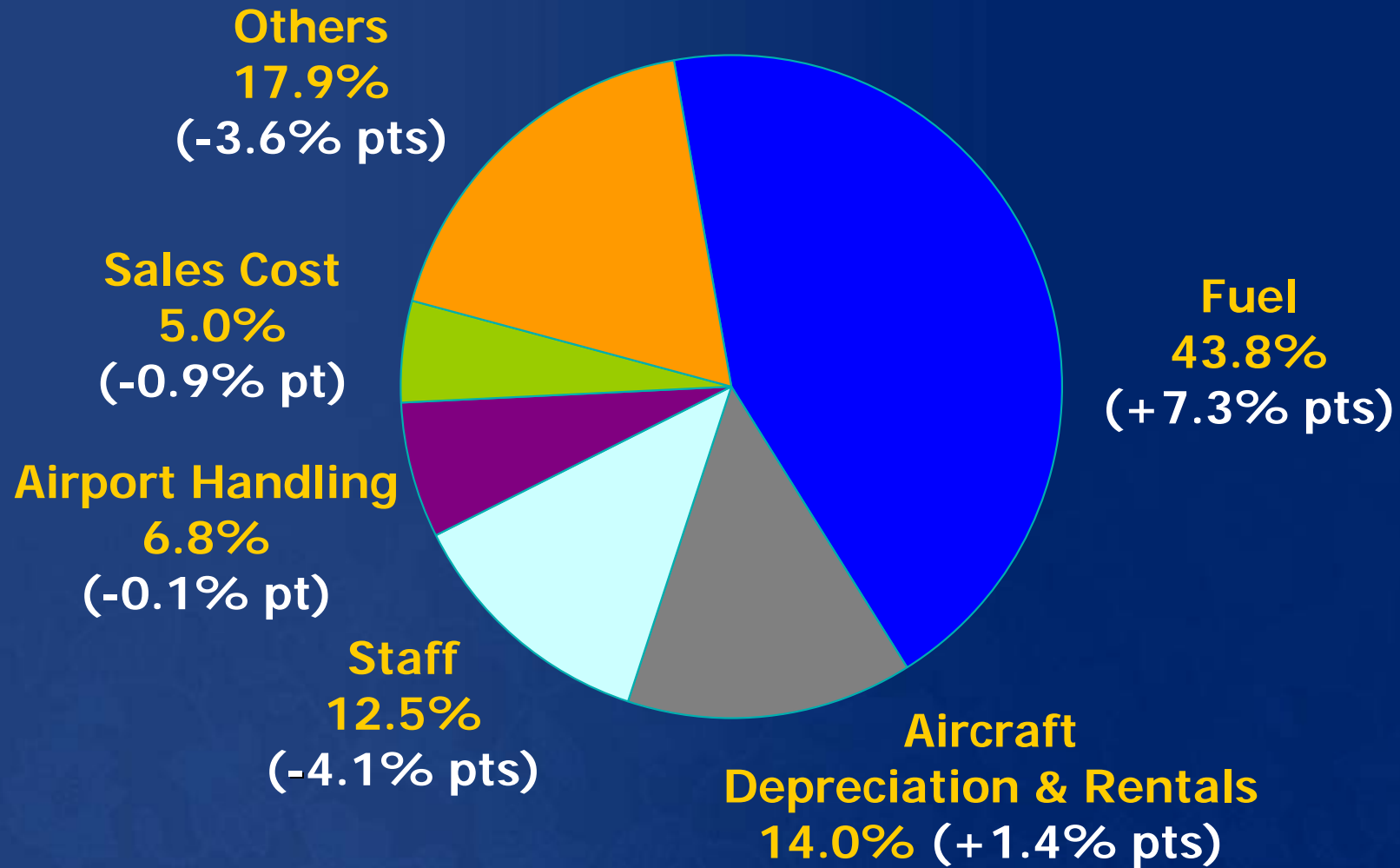
THE PARENT AIRLINE COMPANY MONTHLY PASSENGER-KM



THE PARENT AIRLINE COMPANY MONTHLY PASSENGER LOAD FACTOR



THE PARENT AIRLINE COMPANY COST COMPOSITION – FY2008/09



THE PARENT AIRLINE COMPANY FUEL EXPENDITURE – FY2008/09



(\$ million)



DIVIDENDS

DIVIDENDS

– FY2008/09



	<u>2008-09</u>	<u>2007-08</u>
Earnings Per Share (¢)	89.6	168.5
Interim Dividend Per Share Paid (¢)	20.0	20.0
Proposed Final Dividend Per Share (¢)	20.0	80.0
Total Ordinary Dividend Per Share (¢)	40.0	100.0

**DIVIDEND *IN-SPECIE* OF
SHARES IN SATS**

OBJECTIVES



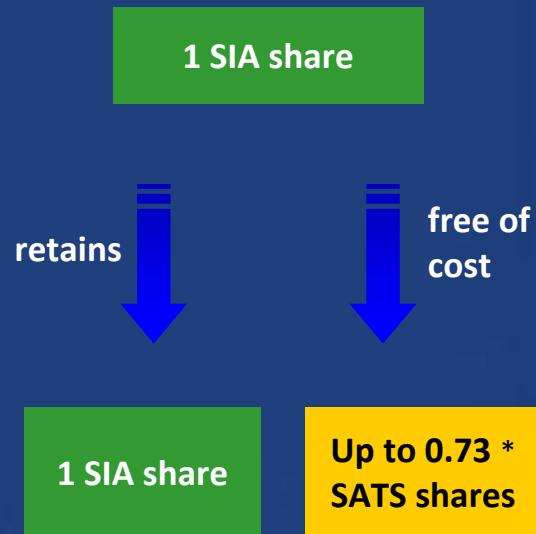
- **Unlock Shareholder Value**
- **Enable SIA to Concentrate on Airline and Aircraft Maintenance, Repair and Overhaul (MRO) Businesses**
- **Give SIA Shareholders Direct Interest Without Additional Cash Outlay**

UNLOCKING SHAREHOLDER VALUE



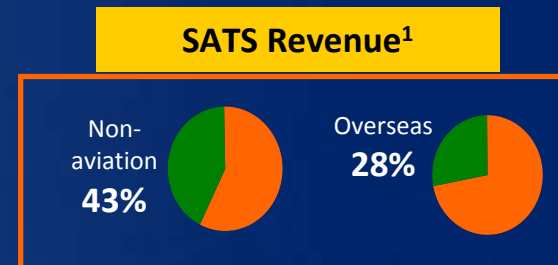
- Boosts SATS public float upwards from less than 20%
⇒ improve trading liquidity in SATS shares.
- Flexibility to separately manage portfolio holdings of SIA and SATS.
- Benefit directly from any future corporate actions of SATS, for example, dividends, bonus issues and mergers and/or acquisitions.
- Shareholders will receive SATS shares free of cost.

RATIONALE



- Enables SIA to concentrate on airline and aircraft MRO businesses.

- SATS increased its exposure to Non-aviation businesses.



* Fractional entitlements to be disregarded.

¹Pro form segmental revenue extracted from SATS' circular dated 5 January 2009.

CONTINUITY OF OPERATIONS

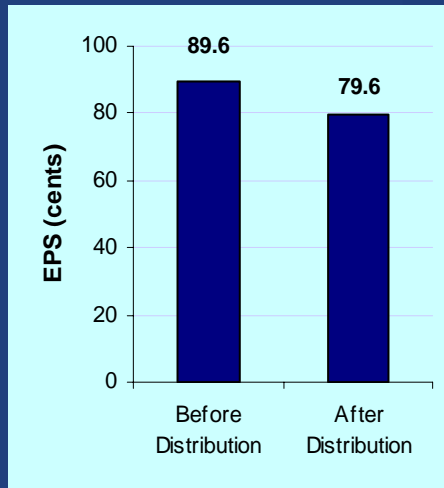


- **New agreements signed on 8 May 2009 provides assurance to SIA that SATS will continue to supply ground handling and in-flight catering services for the next three to five years from 1 October 2009.**
- **Provide SATS with assurance of revenue from SIA for three to five years from 1 October 2009.**

FINANCIAL EFFECTS

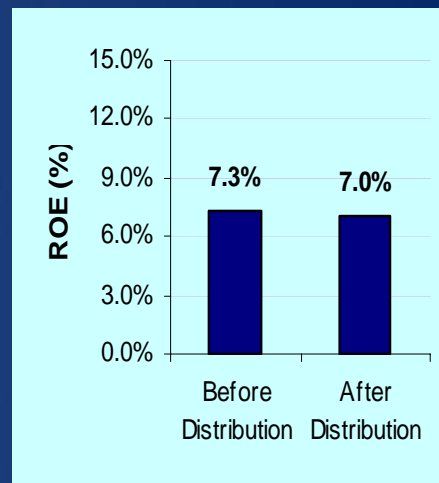


EPS



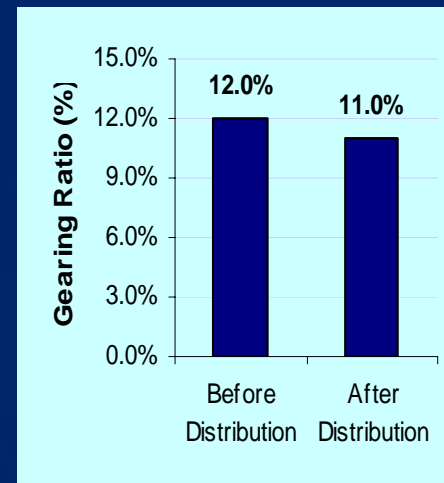
- SIA's EPS reduced, but SIA shareholders will have direct interest in SATS shares and benefit directly from any future SATS dividends.

ROE



- From SIA's perspective, no significant impact on ROE.

Gross Gearing



- SIA's gross gearing is reduced as it de-consolidates SATS \$200m notes.

Note – The effects are in respect of the financial year ended 31 March 2009 on a pro forma basis. For further information, refer to announcement dated 14 May 2009.

APPROVALS



- Shareholders' approval at an extraordinary general meeting; and
- Regulatory approvals¹.

¹ For further information, please refer to paragraph 5.1.2 of the announcement dated 14 May 2009.

LOOKING AHEAD

LOOKING AHEAD

– FY2009/10



- **Fleet Development**
- **Capital Expenditure**
- **Outlook**

PASSENGER FLEET DEVELOPMENT – FY2009/10



	<u>No. of Aircraft</u>
Operating Fleet at 1 April 2009	103
Aircraft Deliveries/(Disposals)	
■ Airbus A380-800	5
■ Airbus A330-300	7
■ Boeing 747-400	(3)
Surplus Aircraft	(13)
Operating Fleet at 31 March 2010	99

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



	<u>FY09/10</u>	<u>FY10/11</u>	<u>FY11/12</u>	<u>FY12/13</u>	<u>FY13/14</u>
Aircraft	1,600	2,800	1,700	2,000	3,700
Other Assets	100	100	100	100	100
Total	1,700	2,900	1,800	2,100	3,800

OUTLOOK

– FY2009/10



- Drop in Demand for Air Travel
- Outlook – Advance Bookings
- Jet Fuel Prices
- Capacity and Cost Management