



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

# **ORDER OF PRESENTATION**

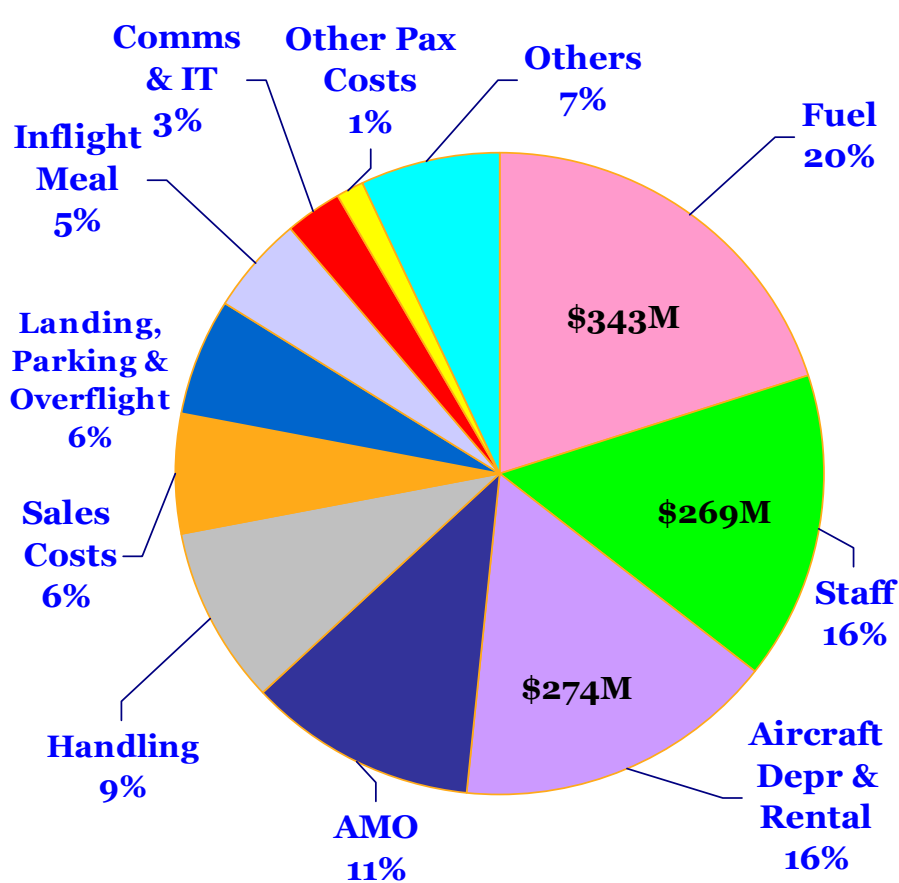
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- **THE AIRLINE COMPANY**
- **THE MAJOR SUBSIDIARIES**
- **THE GROUP**
- **CORPORATE DEVELOPMENTS**
- **OUTLOOK**

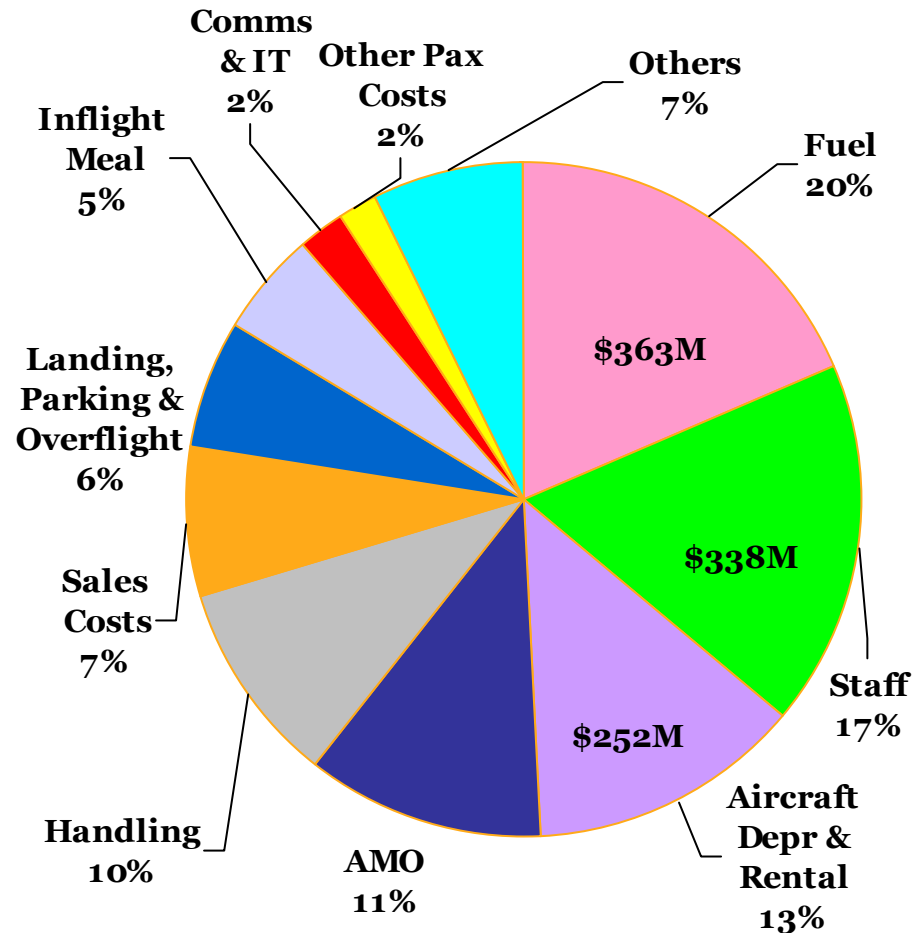
# THE AIRLINE COMPANY RESULTS – Q2/03 vs Q2/02 (S\$million)

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

# 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)

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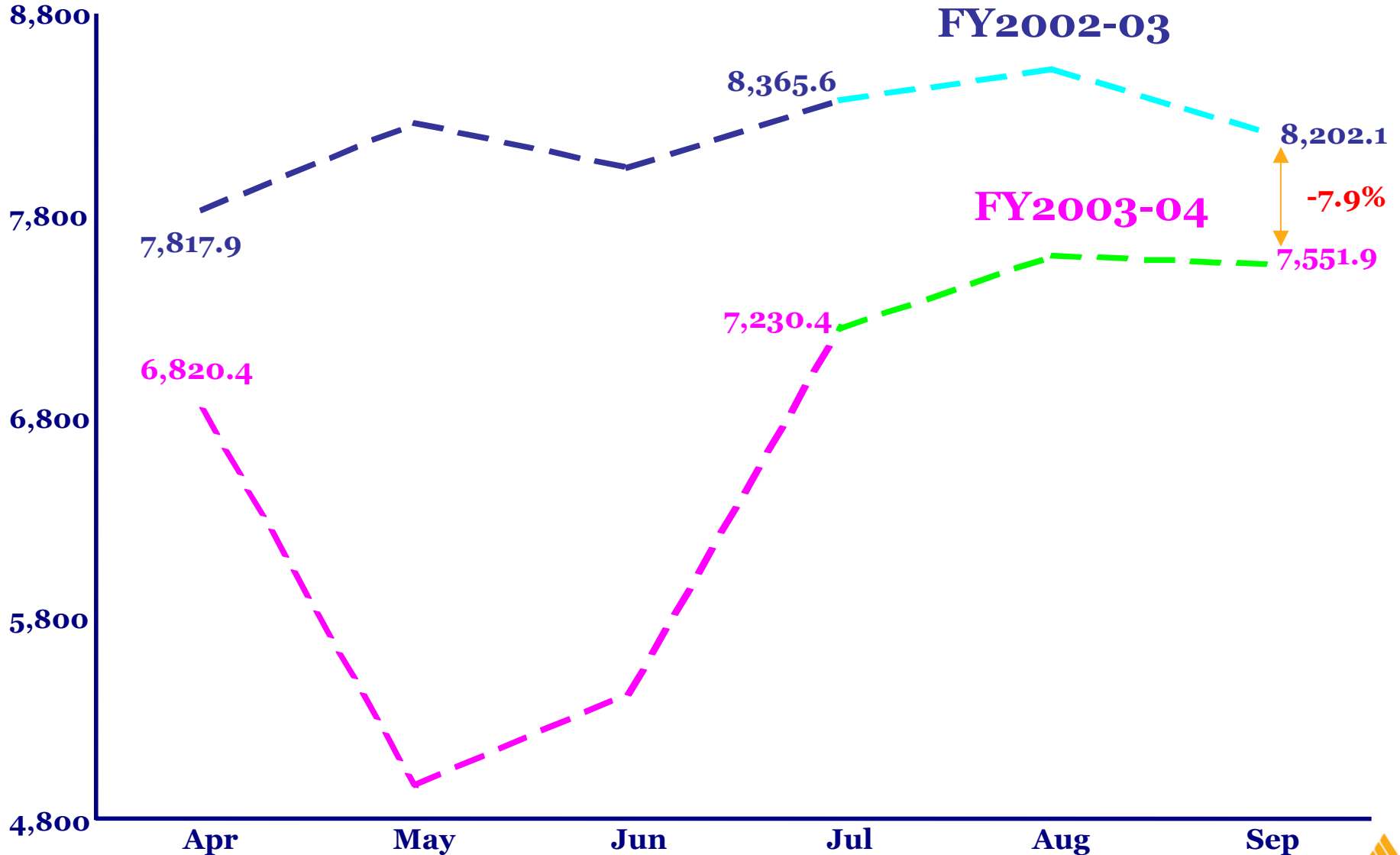
<b>1</b>	<b>No provision for profit-sharing bonus</b>	<b>-31.0</b>
<b>2</b>	<b>Wage cuts</b>	<b>-16.3</b>
<b>3</b>	<b>Reduction in staff</b>	<b>- 7.7</b>
<b>4</b>	<b>Less flying allowances paid</b>	<b>- 8.6</b>
<b>5</b>	<b>No-pay leave</b>	<b>- 4.9</b>
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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

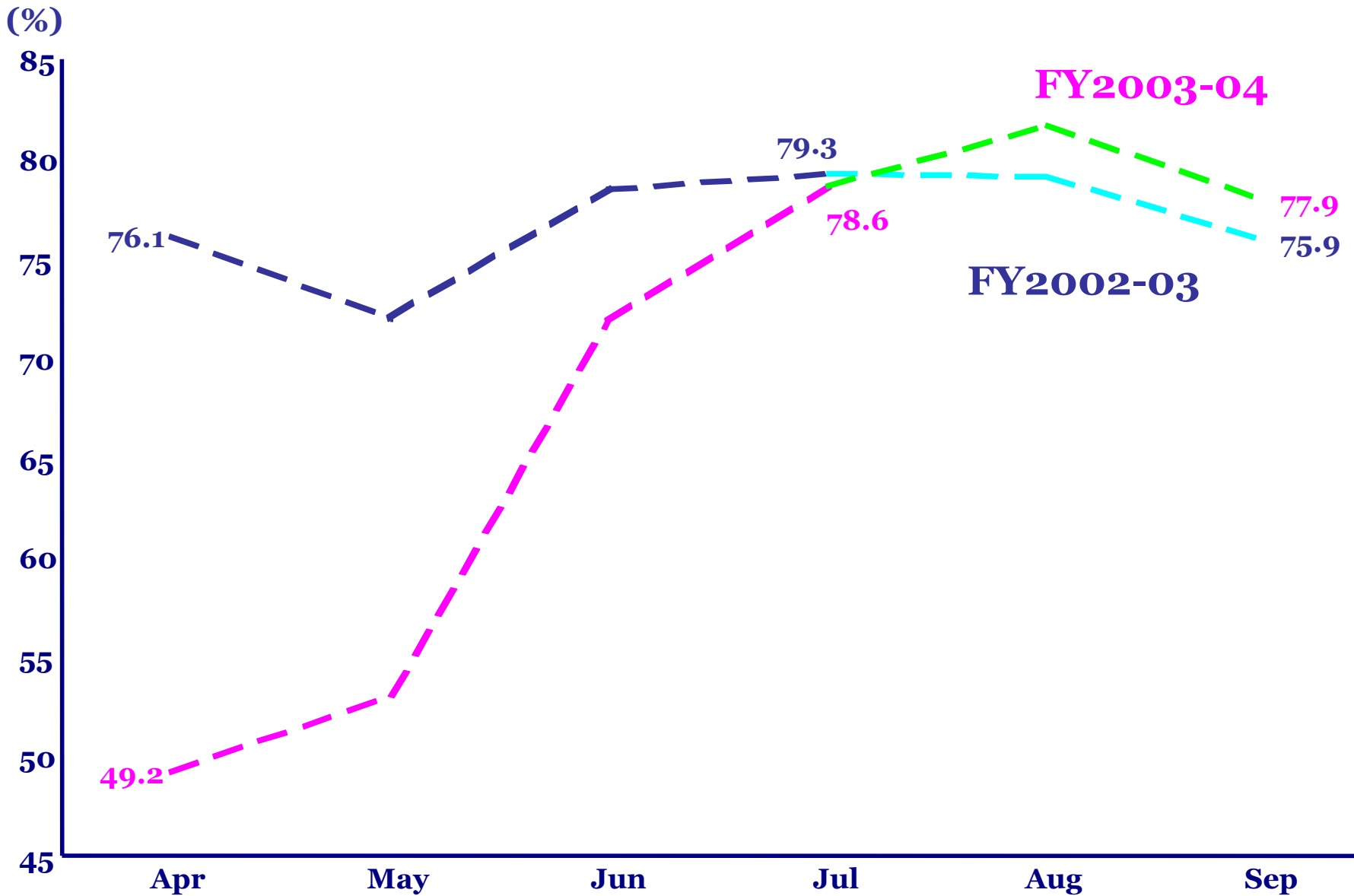
	Jul-Sep 2003	Jul-Sep 2002	Variance	% Change
Seat Capacity (M ask)	22,379.8	25,090.5	-2,710.7	-10.8
Passenger Carriage (M pkm)	17,772.8	19,600.4	-1,827.6	- 9.3
Passenger Load Factor (%)	79.4	78.1	+ 1.3pts	
Passenger Yield (¢/pkm)	8.9	9.0	- 0.1	- 1.1
Unit Yield (¢/ask)	7.1	7.0	+ 0.1	+ 1.4
Unit Cost (¢/ask)	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
<b>Total Revenue</b>	<b>1,891.8</b>	<b>1,079.6</b>	<b>+ 812.2</b>	<b>+ 75.2</b>
<b>Total Expenditure</b>	<b>1,717.1</b>	<b>1,522.5</b>	<b>+ 194.6</b>	<b>+ 12.8</b>
<b>Operating Profit/(Loss)</b>	<b>174.7</b>	<b>(442.9)</b>	<b>+ 617.6</b>	<b>n.m.</b>
<b>Non-Operating Items</b>	<b>95.7</b>	<b>36.9</b>	<b>+ 58.8</b>	<b>+ 159.3</b>
<b>Profit/(Loss) After Tax</b>	<b>212.3</b>	<b>(346.6)</b>	<b>+ 558.9</b>	<b>n.m.</b>

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

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

# 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.
	<b>117.3</b>	<b>115.1</b>	<b>+ 2.2</b>	<b>+ 1.9</b>

\* Included share of profits of joint venture and associated companies

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

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

# 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.
	<b>117.3</b>	<b>60.5</b>	<b>+ 56.8</b>	<b>+ 93.9</b>

\* 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
	<b>177.7</b>	<b>291.6</b>	<b>-113.9</b>	<b>- 39.1</b>

\* 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**

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

# OUTLOOK

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

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