

MEDIA/ANALYST PRESENTATION

FY2006-07
RESULTS

11 MAY 2007


Celebrating
60 years
in 2007 

singaporeair.com





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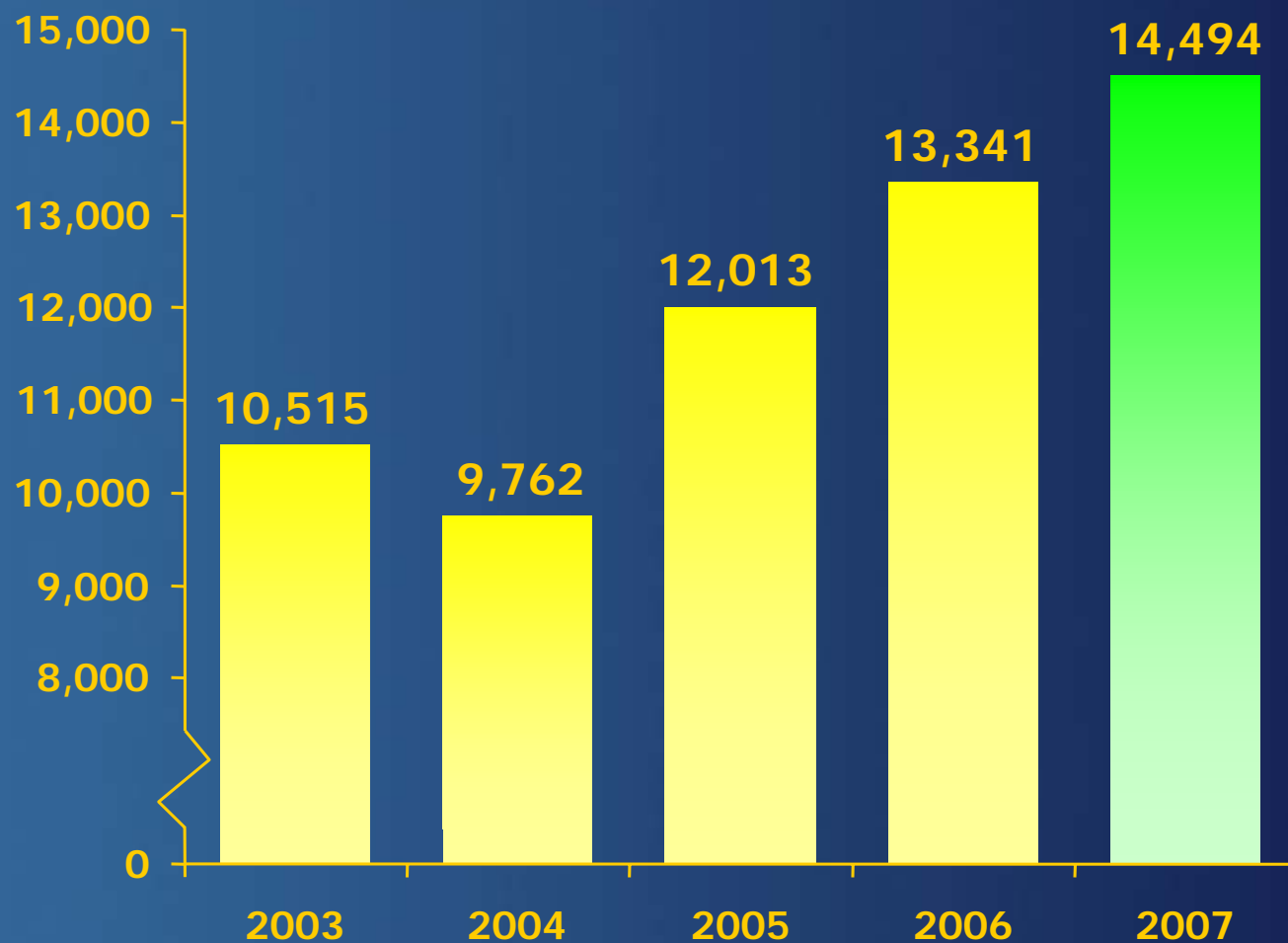
SIA GROUP FY2006-07 RESULTS

GROUP REVENUE

– FY2006/07 (\$ million)



(\$ million)



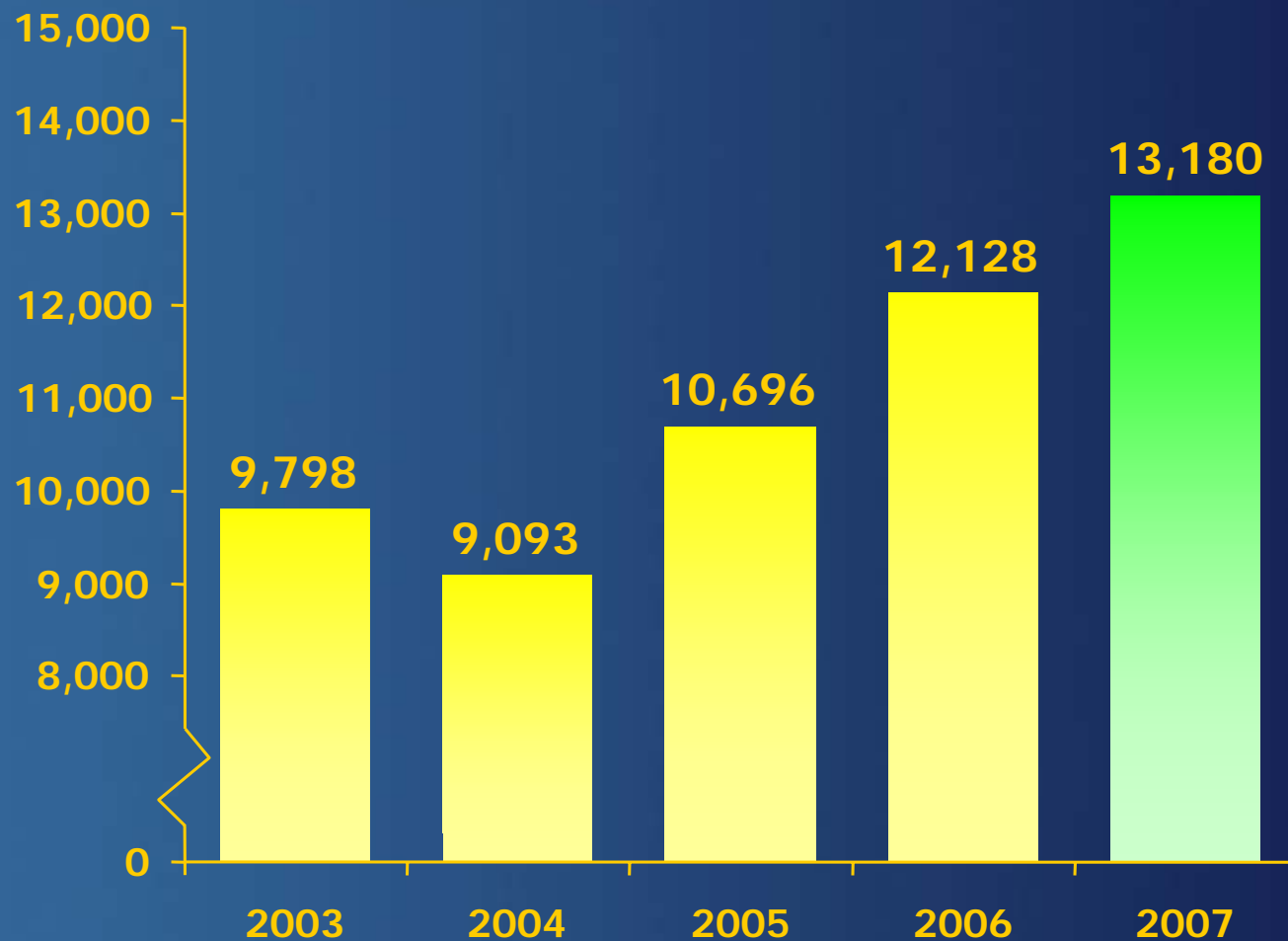
Record Revenue
↑ 8.6%

5-Year CAGR
+ 8.4%

GROUP EXPENDITURE – FY2006/07 (\$ million)



(\$ million)



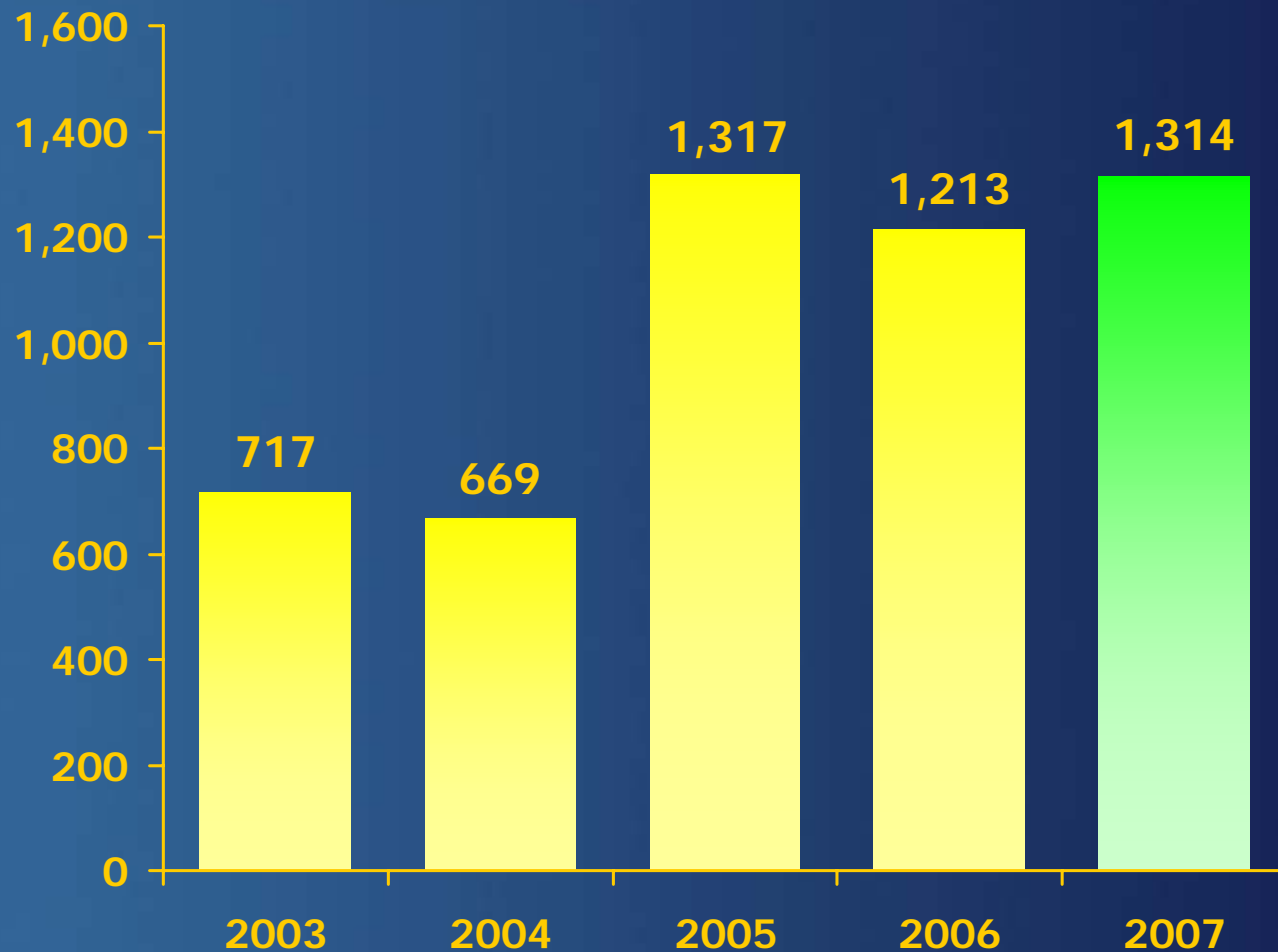
Group Expenditure
↑ **8.7%**

5-Year CAGR
+ 7.7%

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



(\$ million)



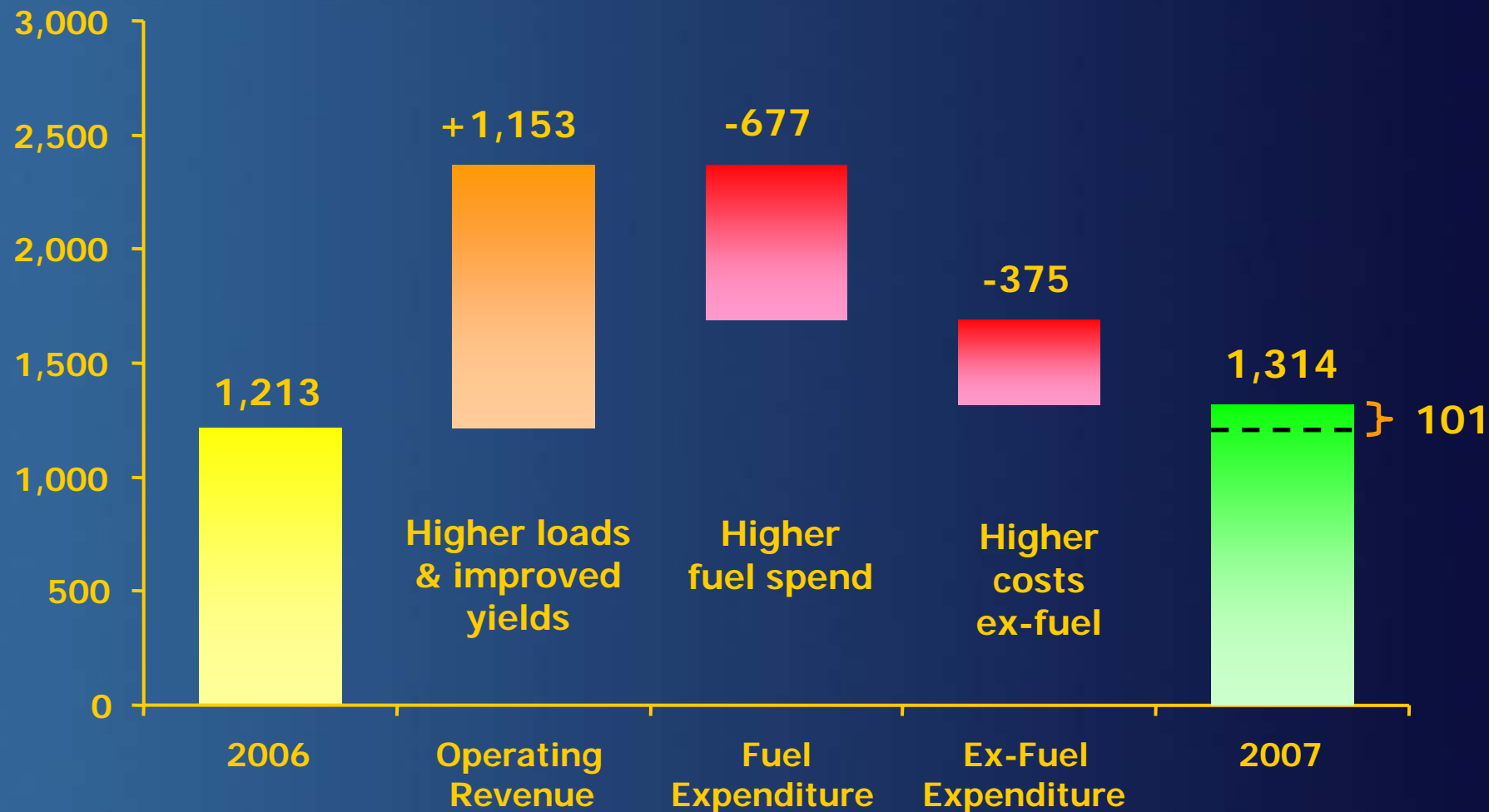
Operating Profit
↑ 8.3%

5-Year CAGR
+ 16.4%

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



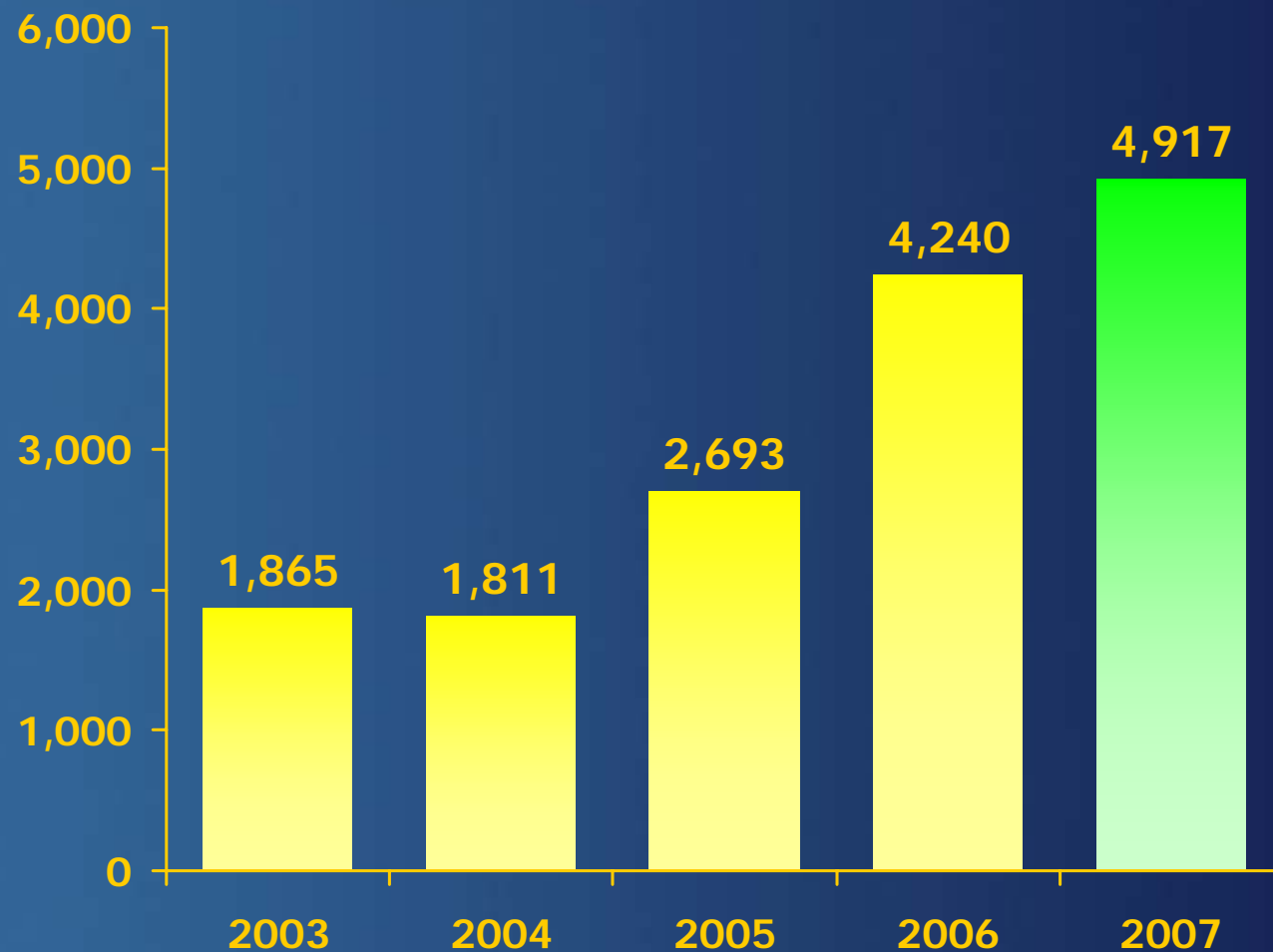
(\$ million)



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



(\$ million)



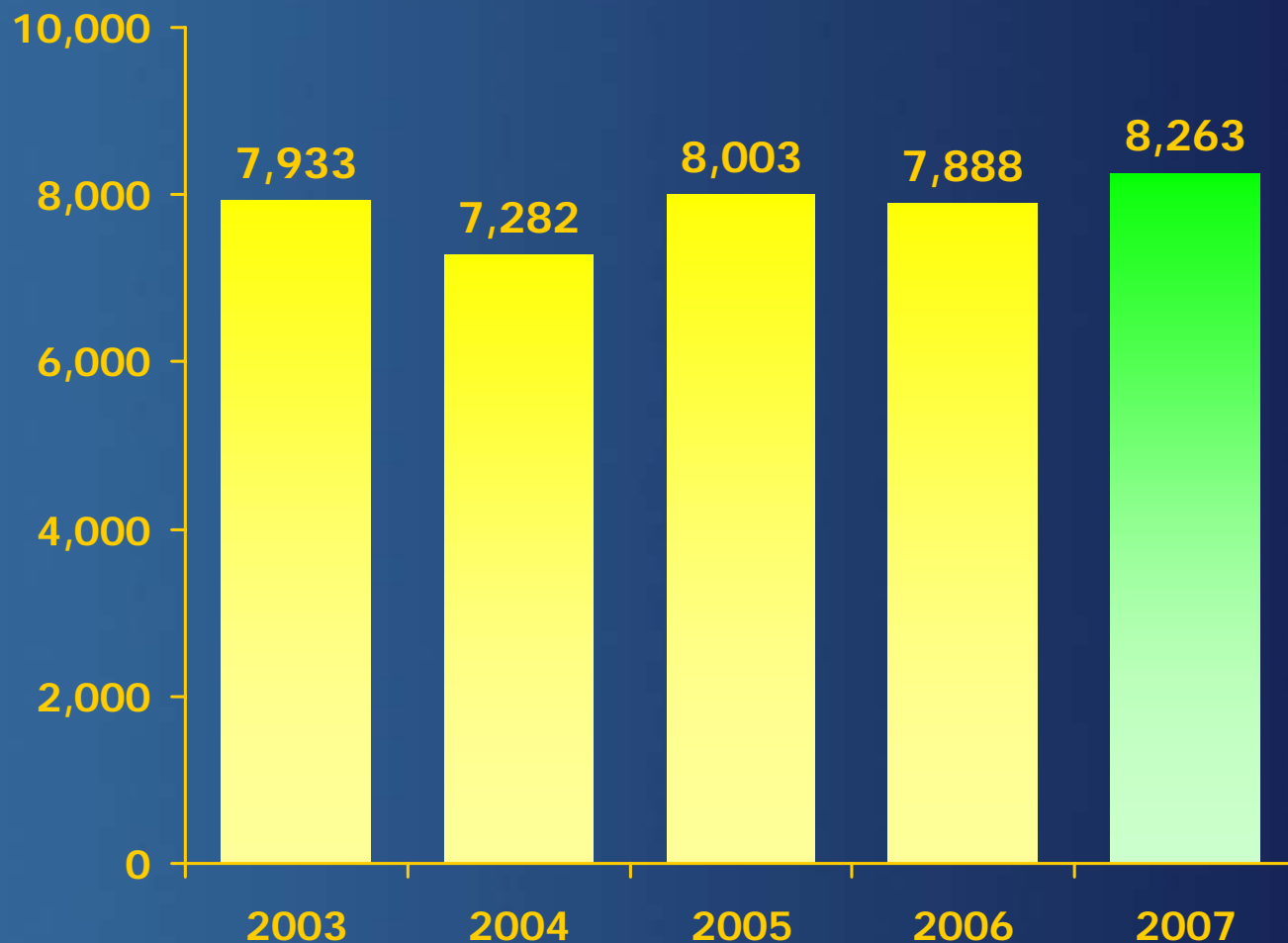
Fuel Expenditure
↑ 16.0%

5-Year CAGR
+ 27.4%

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



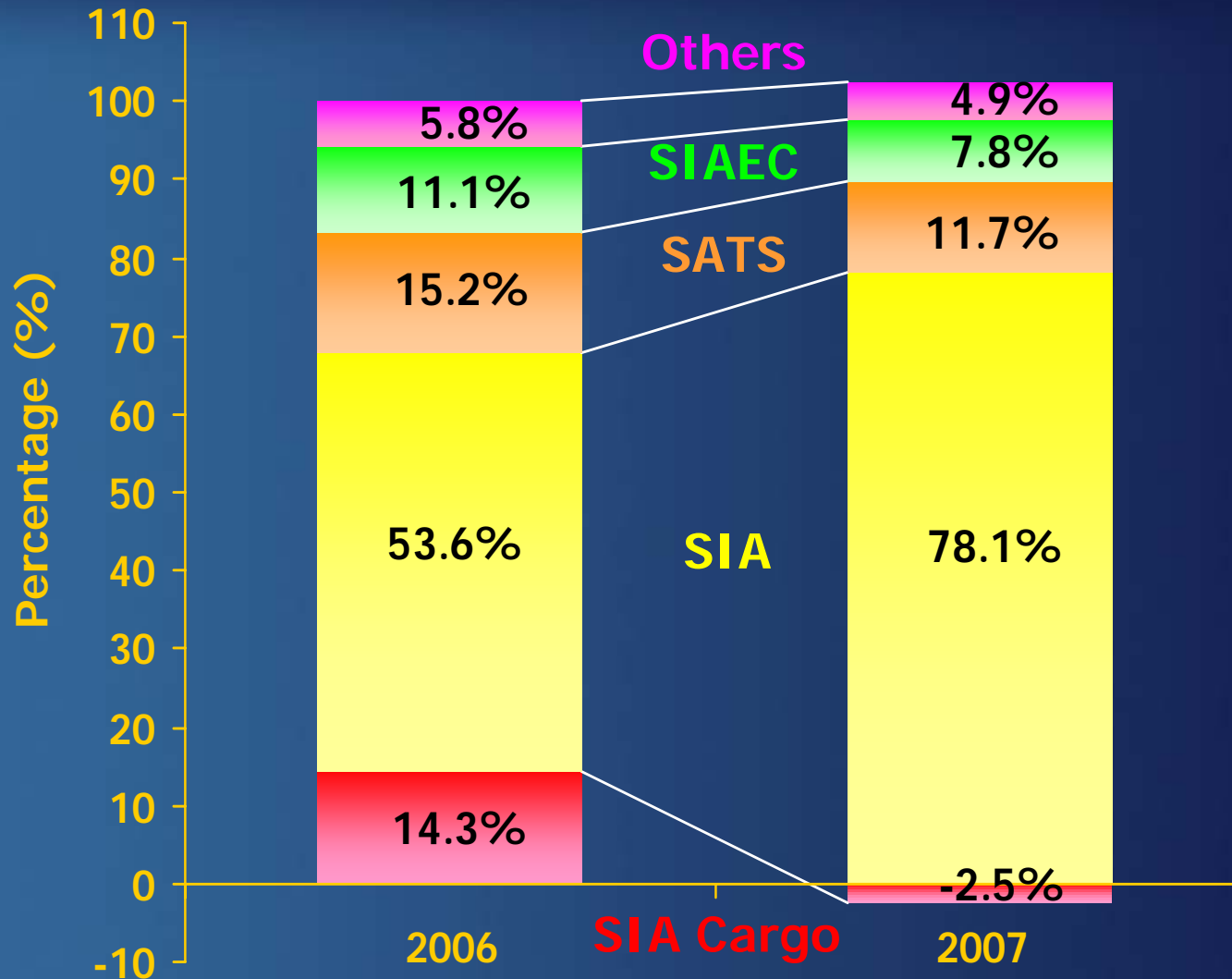
(\$ million)



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)





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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

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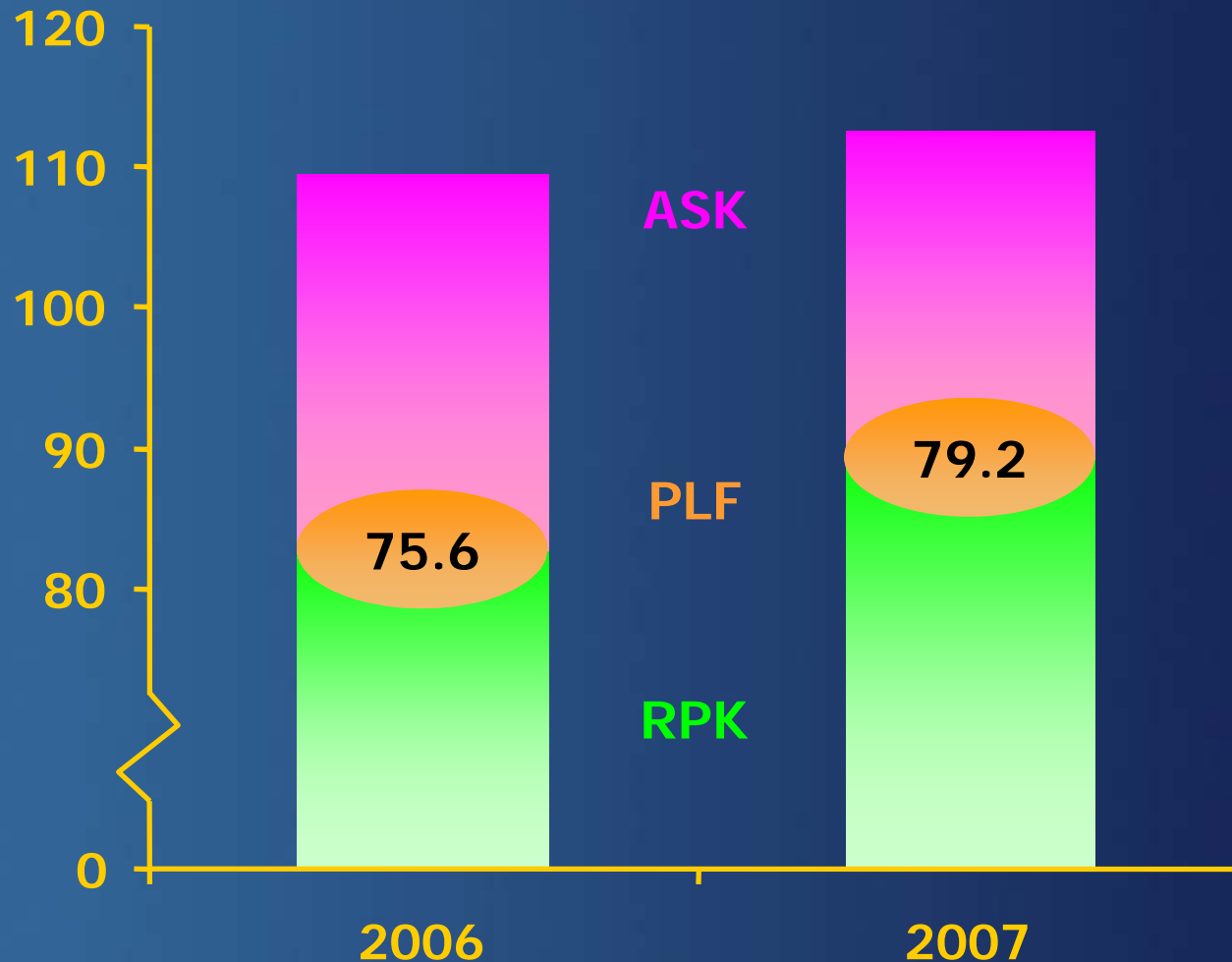
	<u>2006-07</u>	<u>2005-06</u>	<u>% Change</u>	
Passenger Yield (¢/pkm)	10.9	10.6	+	2.8
Unit Cost (¢/ask)	7.9	7.5	+	5.3
Passenger Breakeven Load Factor (%)	72.5	70.8	+	1.7 pts

THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2006/07

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(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

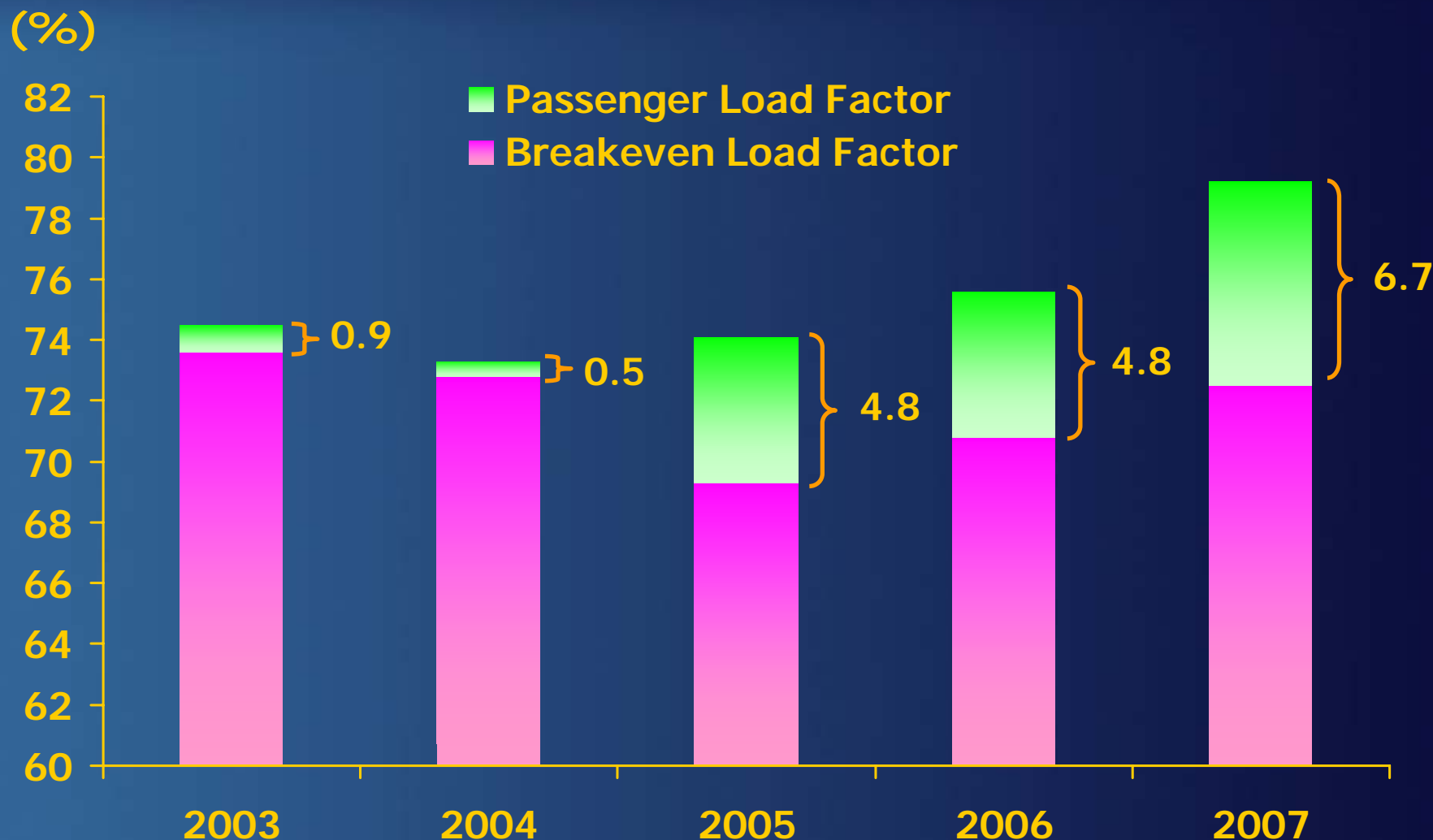
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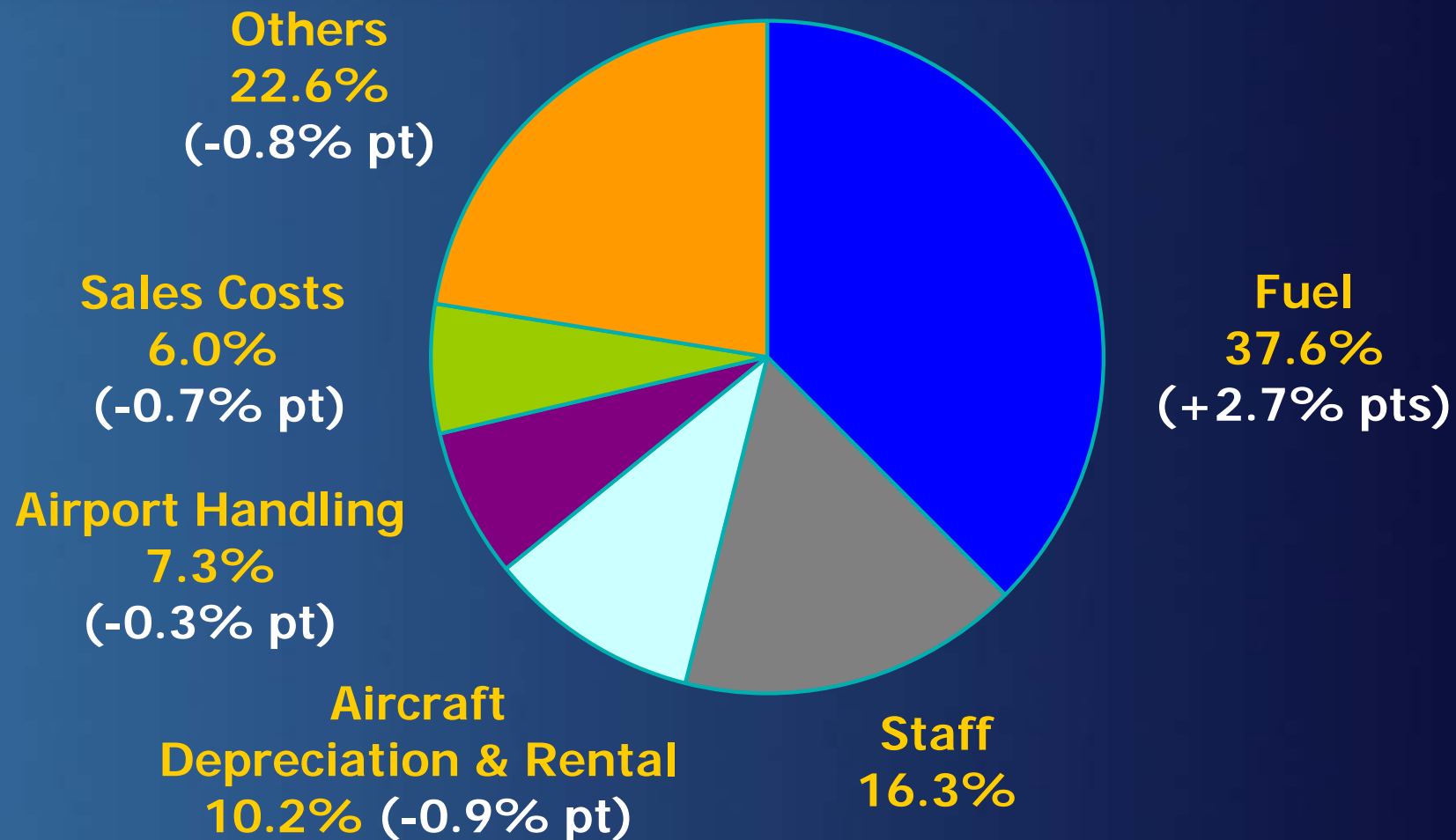
	<u>2006-07</u>	<u>2005-06</u>	<u>% Change</u>		
Passenger Load Factor (%)	79.2	75.6	+ 3.6	pts	
Passenger Breakeven Load Factor (%)	72.5	70.8	+ 1.7	pts	
Passenger Load Factor Spread (%)	6.7 pts	4.8 pts	+ 1.9	pts	

THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2006/07

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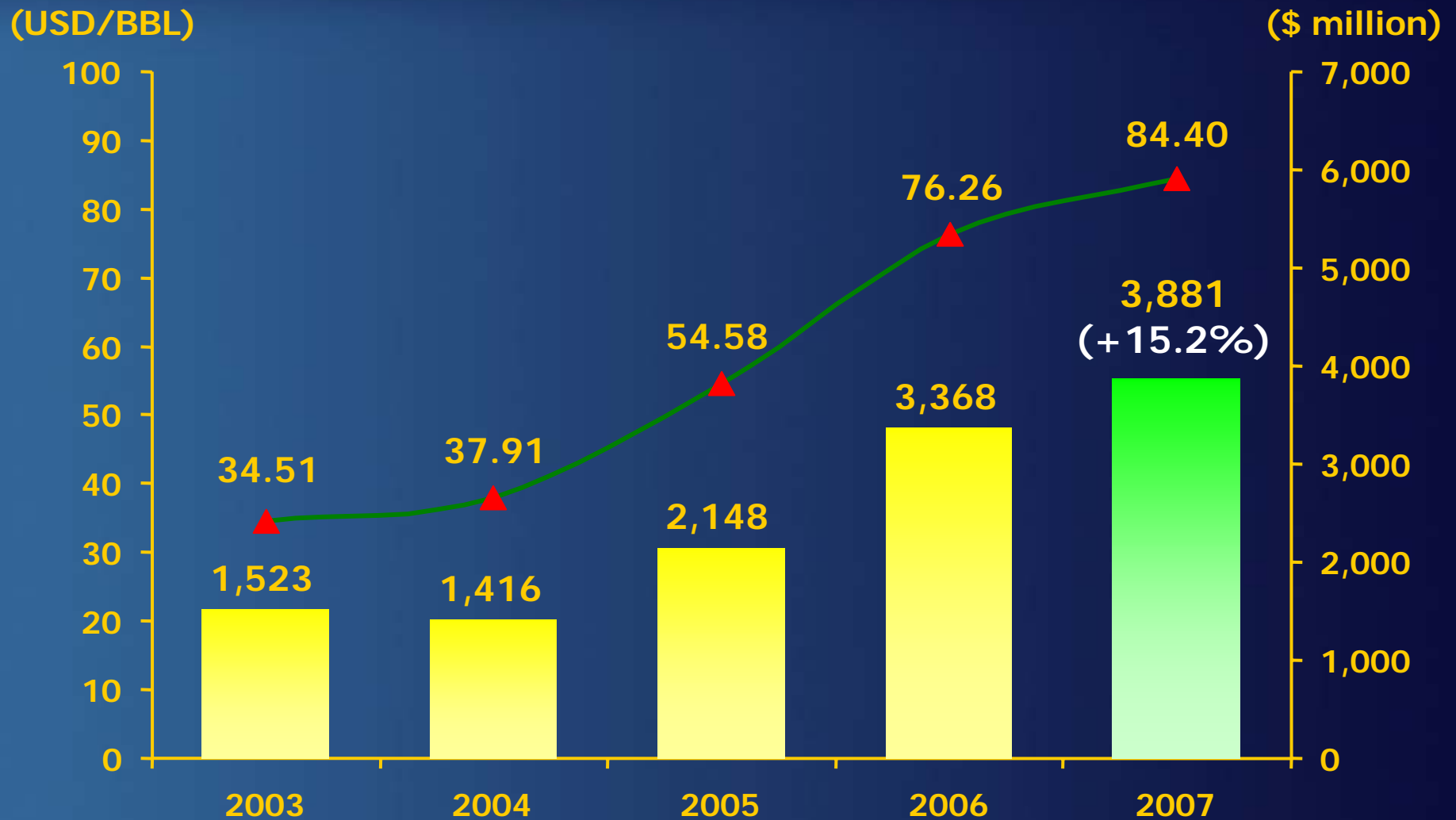
THE PARENT AIRLINE COMPANY COST COMPOSITION – FY2006/07



THE PARENT AIRLINE COMPANY COST ANALYSIS – FY2006/07



THE PARENT AIRLINE COMPANY FUEL COST – FY2006/07





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SIA SUBSIDIARIES FY2006-07 RESULTS

SUBSIDIARIES NET PROFIT

– FY2006/07 (\$ million)



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



LOOKING AHEAD



LOOKING AHEAD



- 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>
Aircraft	1,800	2,300	3,500	4,800	4,500
Other Assets	600	500	500	300	300
Total	2,400	2,800	4,000	5,100	4,800

AIRBUS A380-800

– FY2007/08



- 1st unit delivery October 2007, into commercial service in November 2007 to Sydney
- 2nd and 3rd 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

DIVIDENDS

– 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>
Total Ordinary Dividend Per Share (¢)	50.0	45.0
Proposed Special Dividend Per Share (¢)	50.0	Nil
Total Dividends Per Share (¢)	100.0	45.0



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PROPOSED CAPITAL REDUCTION

PROPOSED CAPITAL REDUCTION



Objectives

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

PROPOSED CAPITAL REDUCTION



Distribution to shareholders by cancellation of shares¹

- 1 share cancelled for every 15 shares held
- Cash distribution \$18.46 per share cancelled²
- Approximately \$1,537 million³

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