



# China Aviation Oil (Singapore) Corp Ltd

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**Analyst Results Briefing**

**July-September 2004**

**16 November 2004**



## A Mixed Bag

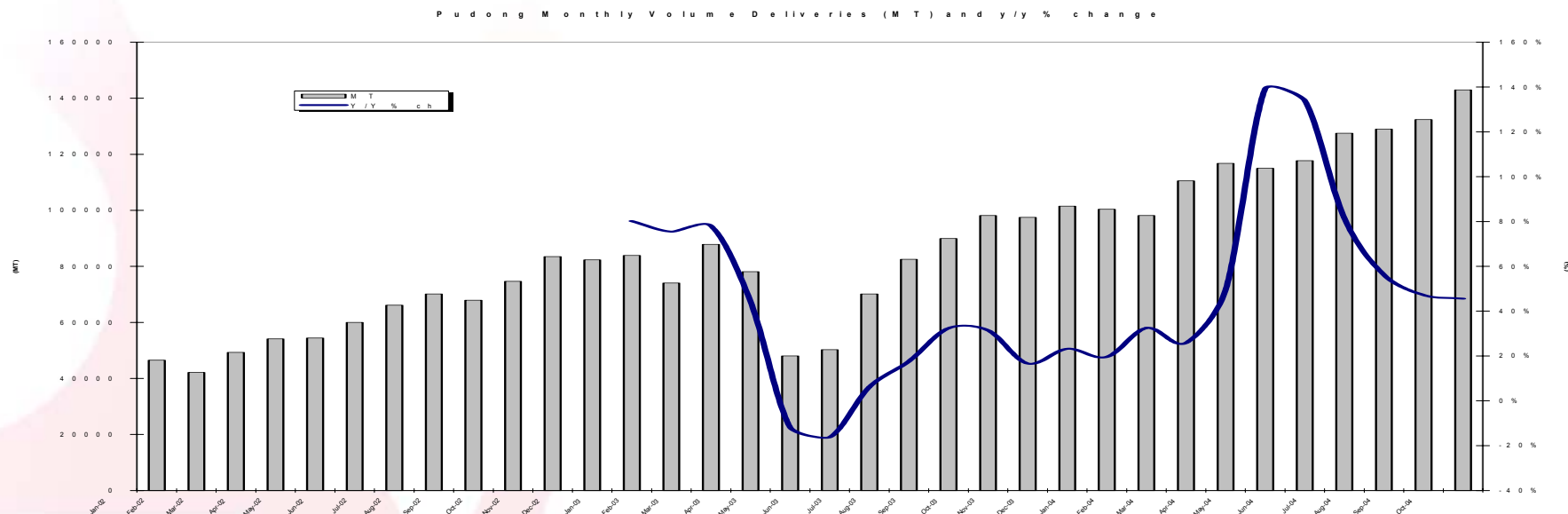
- **Jan-September**
  - **Net Profit S\$39.8 million, up 4.9% y/y**
  - **Turnover S\$2.2 billion up 26.0% y/y**
- **July-September**
  - **Net Profit S\$8.8 million, down 15.4% y/y**
  - **Turnover S\$897 million, up 61.4%**
- **Proforma PBT (ex-trading, amortisation changes)**
  - **Up 121% in the quarter and 36% for the nine months**



# 1. Review



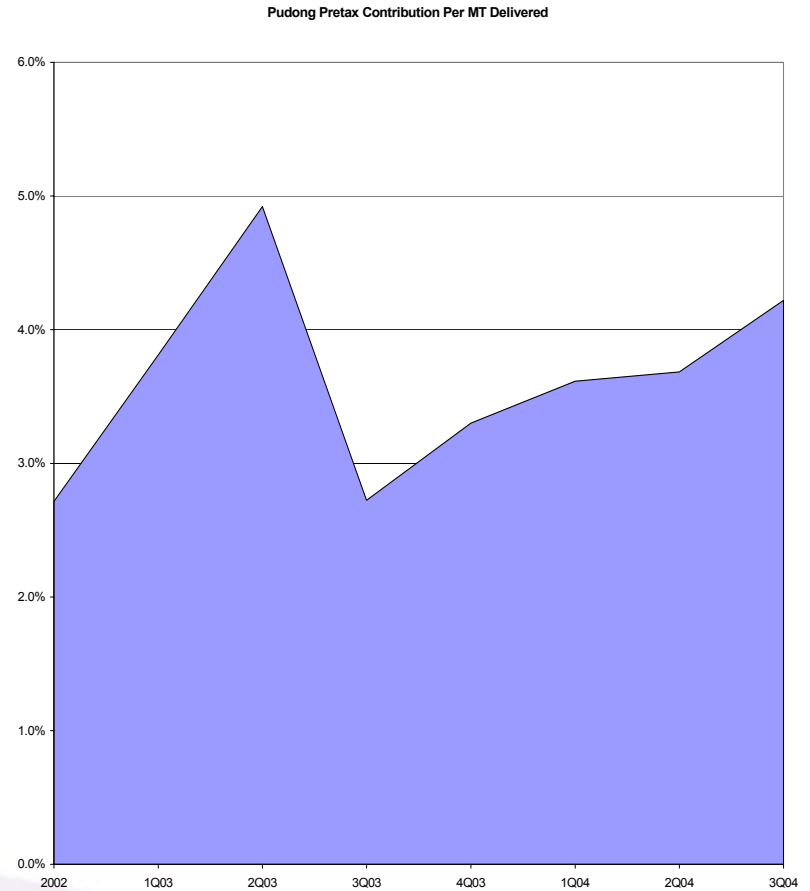
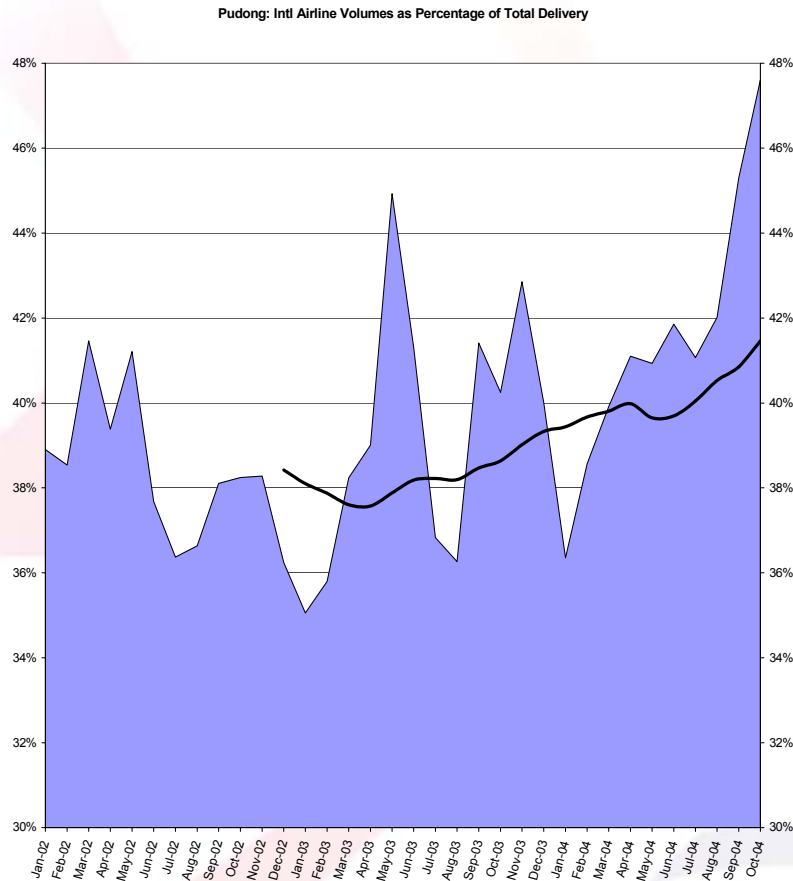
## Pudong – the star performer



- **Very Strong Growth – associates contribution up 148% y/y**
- **Volumes at record levels**

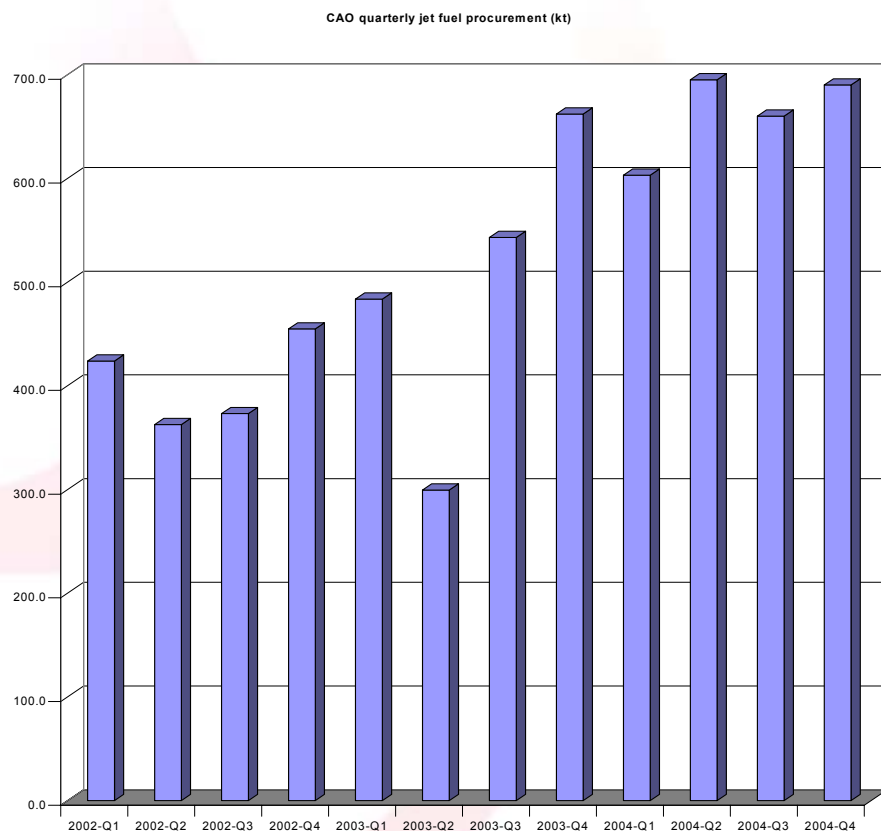


# Margins up steadily since last year's dip





## Procurement volumes strong, as expected



- Q3 volumes – 660 kt, up 21.5% y/y
- Nothing to see here – good news, steady margins, positive contribution
- (Q4 at 690 kt is just shy of the all-time record set in Q2 of 695 kt – one more spot tender will do it)



## Trading didn't do as well as hoped

- **Some trading losses**
- **Continues the pattern we've been noting for several quarters**
- **Losses recognised on closed positions, and mark-to-market**
- **For what it's worth, there was a positive gross profit**
  - **Just not enough to cover operating expenses**
- **However, proforma PBT – that is, excepting trading\* – was up 121% y/y in Q3, 36% y/y for nine months**

\*and equalising amortisation treatment



## 2. Outlook





## The nine-month numbers give an indication

Group Profit and Loss Account	3 months ended		Increase/ (Decrease) S\$'000	9 months ended		Increase/ (Decrease) S\$'000
	30/09/2004 S\$'000	30/09/2003 S\$'000		30/09/2004 S\$'000	30/09/2003 S\$'000	
Revenue	879,059	563,987	315,072	2,204,923	1,772,303	432,620
Cost of Revenue	(877,921)	(550,627)	327,294	(2,178,692)	(1,738,853)	439,839
<b>Gross Profit</b>	<b>1,138</b>	<b>13,360</b>	<b>(12,222)</b>	<b>26,231</b>	<b>33,450</b>	<b>(7,219)</b>
Other Income	1,414	361	1,053	5,842	7,787	(1,945)
Distribution costs	(159)	(140)	19	(467)	(276)	191
Administration costs	(236)	(103)	133	(671)	(476)	195
Other operating costs	(4,701)	(5,431)	(730)	(16,946)	(14,472)	2,474
<b>Profit from operating activities</b>	<b>(2,544)</b>	<b>8,047</b>	<b>(10,591)</b>	<b>13,989</b>	<b>26,013</b>	<b>(12,024)</b>
Finance costs	(2,606)	(3,204)	(598)	(4,878)	(4,216)	662
Share of result of associated company	16,411	6,610	9,801	40,455	24,663	15,792
<b>Profit Before Taxation</b>	<b>11,261</b>	<b>11,453</b>	<b>(192)</b>	<b>49,566</b>	<b>46,460</b>	<b>3,106</b>
Taxation	(2,408)	(1,060)	1,348	(7,781)	(6,674)	1,107
Minority Interest	(64)	0	(64)	(63)	0	(63)
<b>Net Profit After Tax</b>	<b>8,789</b>	<b>10,393</b>	<b>(1,604)</b>	<b>41,722</b>	<b>39,786</b>	<b>1,936</b>



## 2005: a very good year

- **New contributions: Bluesky, SPC**
  - **Bluesky**
    - **Baiyun will see 20 million pax this year, with opening of new airport facility**
    - **Cargo: Guangzhou likely to be China's first international cargo hub**
      - **UPS, maybe Fedex**
  - **SPC**
    - **Great GRM**
    - **I/B/E/S mean 2005 estimate S\$197 million**



Thank you –

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**Q&A**