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STRONG OPERATING RESULTS LIFT NET PROFIT 7.3% TO \$932 MILLION

GROUP FINANCIAL PERFORMANCE

First Half 2007-08

The Group achieved an operating profit of \$982 million for the first half of financial year 2007-08; an increase of \$449 million (+84.1%) from the corresponding period last year. This was underpinned by strong performance from the Parent Airline Company.

Group revenue rose to \$7,589 million, up \$560 million (+8.0%) over the same period last year, on the back of strong passenger demand.

Group expenditure also increased, but was contained below revenue growth; up \$111 million (+1.7%) to \$6,607 million. Fuel cost remained high in US Dollars, and accounted for 36.5% of the Group expenditure.

The Group's net profit attributable to equity holders of \$932 million was a \$64 million improvement (+7.3%) over the first half of the previous year. The results for last year included an exceptional gain of \$223 million from the sale of the SIA Building in Singapore. Excluding that exceptional gain, profit attributable to equity holders this year was \$287 million (+44.5%) higher.

Note: The SIA Group's unaudited financial results for the half year and second quarter ended 30 September 2007 were announced on 31 October 2007. A summary of the financial and operating statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Company refers to Singapore Airlines, the parent airline unit. The Group comprises the Company and its subsidiary, joint venture and associated companies).

The Parent Airline Company posted an operating profit of \$781 million (+112.2%), more than double the same period last year. The Airline contributed 79.6% (+10.6% points) to the Group's operating profit. The operating results of the three major subsidiary companies are as follows:

- Singapore Airport Terminal Services (SATS) Group: Profit of \$94 million (-3.8%)
- SIA Engineering Company (SIAEC): Profit of \$63 million (-6.6%)
- Singapore Airlines Cargo (SIA Cargo): Profit of \$19 million (Loss of \$29 million in 2006-07)

Second Quarter 2007-08

The Group had a strong second quarter, posting a net profit attributable to equity holders of \$508 million, up \$215 million (+73.2%) from the second quarter of the previous year.

Group operating profit doubled to \$519 million; a year-on-year increase of \$259 million (+99.9%), led by the Parent Airline Company, turning in a strong performance in the second quarter.

Group revenue increased \$359 million (+9.9%) year-on-year to \$3,967 million. Passenger demand from both business and leisure markets remained buoyant in the second quarter, pushing passenger load factor to 81.6%.

DIVIDENDS

The Company is declaring an interim dividend of 20 cents per share (tax exempt, one-tier), amounting to \$237 million, for the half-year ended 30 September 2007 (15 cents interim dividend in the previous year). The interim dividend will be paid on 30 November 2007 to members on the Register as at 16 November 2007.

FIRST HALF 2007-08 OPERATING PERFORMANCE: STRONG PASSENGER TRAFFIC

Singapore Airlines carried 9.4 million passengers (+5.0%) in the first six months of the financial year. Revenue passenger kilometres grew 2.6% despite a capacity reduction of 1.0% in available seat kilometres. As a result, passenger load factor improved 2.8 percentage points to 80.3%.

Passenger breakeven load factor was 2.8 percentage points lower, at 70.1%, because yield grew at a higher rate (+9.3%) than unit cost (+5.1%).

Singapore Airlines Cargo returned to operating profitability in the first half of the financial year, a result of effective cost management and route rationalisation. SIA Cargo's freight traffic (in load tonne kilometres) grew 2.3% year-on-year, close to capacity growth (in capacity tonne kilometres) of 2.4%. As a result, cargo load factor declined a marginal 0.1 percentage point. However, breakeven load factor was 1.8 percentage points lower as cost control efforts brought unit cost down by 7.6%, mitigating the 4.9% decline in yield.

FLEET AND ROUTE DEVELOPMENT

During the first half of the financial year, Singapore Airlines took delivery of one Boeing 777-300ER, leased in one Boeing 747-400, and decommissioned four Boeing 747-400s. As at 30 September 2007, the operating fleet comprised 92 passenger aircraft – 19 B747-400s, 68 B777s and five A340-500s, with an average age of six years and six months.

SIA Cargo operated a fleet of 14 Boeing 747-400 freighter aircraft as at 30 September 2007.

OUTLOOK

Singapore Airlines took delivery of the first Airbus A380 on 15 October 2007 and inaugurated commercial service with a flight in aid of charity on 25 October 2007 from Singapore to Sydney and return. The new cabins and seats on the aircraft have been well received by customers and industry observers.

The business landscape however remains challenging. While advanced bookings are holding up, slowing economic growth sparked by tight credit markets and increasing volatility in financial markets cast a cloud of uncertainty over the strong revenue environment.

On the cost side, the price of fuel remains a significant variable for the second half of the financial year.

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A STAR ALLIANCE MEMBER



GROUP FINANCIAL STATISTICS

	1st Half 2007-08	1st Half 2006-07	2nd Quarter 2007-08	2nd Quarter 2006-07
Financial Results (\$ million)				
Total revenue	7,589.2	7,029.6	3,967.1	3,608.6
Total expenditure	6,607.4	6,496.4	3,448.6	3,349.2
Operating profit	981.8	533.2	518.5	259.4
Non-operating items	233.0	307.5	139.7	145.0
Exceptional surplus	--	223.3	--	--
Profit before taxation	1,214.8	1,064.0	658.2	404.4
Profit attributable to equity holders of the Company	931.9	868.3	507.8	293.2
Per Share Data				
Earnings before tax (cents)	97.4	86.8	52.9	32.9
Earnings after tax (cents) - basic ^{R1}	74.7	70.8	40.8	23.9
- diluted ^{R2}	73.5	70.3	40.3	23.7
	As at 30 Sep 2007	As at 31 Mar 2007		
Financial Position (\$ million)				
Share capital	1,623.1	1,494.9		
Reserves				
Capital reserve	44.9	44.9		
Foreign currency translation reserve	(63.7)	(59.5)		
Share-based compensation reserve	103.9	97.3		
Fair value reserve	20.5	(45.5)		
General reserve	12,048.3	13,567.9		
Equity attributable to equity holders of the Company	13,777.0	15,100.0		
Total assets	26,164.5	25,992.0		
Total debt	1,724.2	1,879.4		
Total debt equity ratio (times) ^{R3}	0.13	0.12		
Net asset value (\$) ^{R4}	11.65	12.11		

^{R1} Earnings after tax per share (basic) is computed by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue.

^{R2} Earnings after tax per share (diluted) is computed by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue, adjusted for the dilutive effect on the exercise of all outstanding share options granted.

^{R3} Total debt equity ratio is total debt divided by equity attributable to equity holders of the Company.

^{R4} Net asset value per share is computed by dividing equity attributable to equity holders of the Company by the number of ordinary shares in issue.

OPERATING STATISTICS

	1st Half 2007-08	1st Half 2006-07	2nd Quarter 2007-08	2nd Quarter 2006-07
<u>SIA</u>				
Passenger carried (thousand)	9,404	8,960	4,785	4,566
Revenue passenger-km (million)	44,882.9	43,758.8	23,066.4	22,566.6
Available seat-km (million)	55,914.3	56,451.1	28,280.2	28,406.2
Passenger load factor (%)	80.3	77.5	81.6	79.4
Passenger yield (cents/pkm)	11.7	10.7	12.0	10.8
Passenger unit cost (cents/ask)	8.2	7.8	8.4	8.1
Passenger breakeven load factor (%)	70.1	72.9	70.0	75.0
<u>SIA Cargo</u>				
Cargo and mail carried (million kg)	650.9	635.1	334.7	319.4
Cargo load (million tonne-km)	4,024.9	3,933.9	2,067.8	1,979.3
Gross capacity (million tonne-km)	6,456.1	6,305.6	3,304.9	3,148.6
Cargo load factor (%)	62.3	62.4	62.6	62.9
Cargo yield (cents/ltk)	36.9	38.8	37.6	39.1
Cargo unit cost (cents/ctk)	23.2	25.1	22.9	25.5
Cargo breakeven load factor (%)	62.9	64.7	60.9	65.2
<u>SIA and SIA Cargo</u>				
Overall load (million tonne-km)	8,296.0	8,098.4	4,258.0	4,123.9
Overall capacity (million tonne-km)	11,987.4	11,883.3	6,105.2	5,955.2
Overall load factor (%)	69.2	68.1	69.7	69.2
Overall yield (cents/ltk)	81.5	76.6	83.2	77.8
Overall unit cost (cents/ctk)	50.6	50.2	51.4	51.9
Overall breakeven load factor (%)	62.1	65.5	61.8	66.7

GLOSSARY

SIA

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Passenger yield	=	Passenger revenue from scheduled services divided by revenue passenger-km
Passenger unit cost	=	Operating expenditure (less bellyhold revenue from SIA Cargo) divided by available seat-km
Passenger breakeven load factor	=	Passenger unit cost expressed as a percentage of passenger yield. This is the theoretical load factor at which passenger revenue equates to the operating expenditure (less bellyhold revenue from SIA Cargo)

SIA Cargo

Cargo load	=	Cargo and mail load carried (in tonnes) x distance flown (in km)
Gross capacity	=	Cargo capacity production (in tonnes) x distance flown (in km)
Cargo load factor	=	Cargo and mail load (in tonne-km) expressed as a percentage of gross capacity (in tonne-km)
Cargo yield	=	Cargo and mail revenue from scheduled services divided by cargo load (in tonne-km)
Cargo unit cost	=	Operating expenditure (including bellyhold expenditure to SIA) divided by gross capacity (in tonne-km)
Cargo breakeven load factor	=	Cargo unit cost expressed as a percentage of cargo yield. This is the theoretical load factor at which cargo revenue equates to the operating expenditure (including bellyhold expenditure to SIA)

SIA and SIA Cargo

Overall load	=	Total load carried (in tonnes) x distance flown (in km)
Overall capacity	=	Total capacity production (in tonnes) x distance flown (in km)
Overall load factor	=	Overall load (in tonne-km) expressed as a percentage of overall capacity (in tonne-km)