



No. 02/10

21 May 2010

\$216 MILLION PROFIT KEEPS RECORD INTACT

GROUP FINANCIAL PERFORMANCE

The Group earned a net profit attributable to equity holders of \$216 million for the financial year ended 31 March 2010, maintaining its unbroken record of full year profitability. Together with the \$404 million net profit in the third quarter, the fourth quarter net profit of \$278 million reversed the \$466 million loss recorded in the first half.

Group revenue in the fourth quarter at \$3,336 million rose 0.4% (+\$15 million) over the same quarter a year ago, with higher passenger and cargo carriage.

For the quarter, total Group expenditure was reduced by \$254 million (-7.6%) year-on-year to \$3,095 million. Expenditure on fuel increased \$220 million (+29.1%) owing to higher jet fuel prices. However, this was offset by a reduction of \$524 million in hedging losses, from \$543 million in January – March 2009 to \$19 million for the same period this year.

Consequently, Group operating profit for the quarter ended 31 March 2010 was \$241 million, a \$269 million improvement from the \$28 million operating loss in the corresponding quarter of the preceding year. Discounting the contribution in January – March 2009 from SATS, which was then a subsidiary, the year-on-year improvement was \$48 million higher at \$317 million.

Note: The SIA Group's audited financial results for the financial year ended 31 March 2010 were announced on 21 May 2010. 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 earned an operating profit of \$159 million in the fourth quarter of the financial year, \$145 million higher than the same quarter in the preceding financial year, reflecting a recovery in load factors.

All the major subsidiaries in the Group achieved better year-on-year operating results in the fourth quarter:

- SIA Engineering Operating profit of \$ 41 million (profit of \$27 million in 2009)
- SilkAir Operating profit of \$ 31 million (profit of \$17 million in 2009)
- SIA Cargo Operating profit of \$ 8 million (loss of \$123 million in 2009)

FINAL DIVIDEND OF 12 CENTS

The Board of Directors recommends a final dividend of 12 cents per share (tax exempt, one-tier) to be paid on 17 August 2010. As no interim dividend was declared, the total dividend for financial year 2009-10 will be 12 cents per share.

FLEET AND ROUTE DEVELOPMENT

In the last quarter of the financial year, Singapore Airlines took delivery of three A330-300s, and decommissioned one B747-400 and one B777. As at 31 March 2010, the operating fleet comprised 108 passenger aircraft – seven B747-400s, seventy-five B777s, ten A380-800s, eleven A330-300s and five A340-500s – with an average age of 6 years and 3 months.

A new five-times-weekly service to Munich was launched on 28 March 2010 and the A380 was deployed to Zurich. More flights to Colombo, Dhaka and Mumbai were added during the quarter ended 31 March 2010, and the all-Business Class service to Newark has returned to daily operations since January 2010. In contrast, services to Pakistan and Nanjing were withdrawn in February 2010 and March 2010 respectively, while frequencies to Ho Chi Minh City and Guangzhou were reduced.

For Northern Summer 2010, capacity across the network will be increased gradually in accordance with the recovery in demand. This includes a new service to Tokyo's Haneda airport in October 2010, and increased frequencies to destinations such as Hong Kong, Seoul and New Delhi. Further capacity increases will be made when justified by growth in demand.

SUBSEQUENT EVENTS

On 29 April 2010, Singapore Airlines signed an agreement to lease six B777s to Royal Brunei Airlines for a period between two to two and a half years. In addition, an agreement to sell four B777s to Transaero Airlines was concluded on 3 May 2010.

OUTLOOK

In the year to March 2011, the Parent Company expects to take delivery of four A380-800s and eight A330-300s, while one B747-400 (to be returned at end of lease) and ten B777s (four sold and six leased out) are expected to leave the fleet. The resulting increase of one aircraft will bring the Company's fleet to a total of 109 aircraft by March 2011. The planned deployment will produce a net growth of 2 per cent in available seat-kilometres.

Fuel cost will continue to be a major expense of the Group. The price of jet fuel has hovered around US\$90 per barrel recently. It is difficult to predict how the price will behave over the course of the year. The Group's uplift of jet fuel in FY2010-11 is projected to be 33 million barrels. At this point, the intention is to hedge at least a fifth of the required uplift.

Advance bookings for travel in the year ahead are encouraging, especially in Business Class. Similarly, forward indicators suggest that the recent recovery in volumes of air cargo will hold up in the near term. Yields for both passenger and cargo should keep pace with the growth in demand. The sustainability of this improvement depends on developments in the world economy and on business and consumer confidence.

* * *

Media Contacts:

Public Affairs Department
Tel: (65) 6541-5880 (office hours)
Tel: (65) 9753-2126 (after office hours)
Fax: (65) 6545-6083
Email: Public_Affairs@singaporeair.com.sg
URL: singaporeair.com

Investor Contacts:

Investor Relations
Tel: (65) 6541-4885 (office hours)
Fax: (65) 6542-9605
Email: Investor_Relations@singaporeair.com.sg

Singapore Company Registration Number: 197200078R

A STAR ALLIANCE MEMBER



GROUP FINANCIAL STATISTICS

	2009-10	2008-09	4 th Quarter 2009-10	4 th Quarter 2008-09
Financial Results (\$ million)				
Total revenue	12,707.3	15,996.3	3,335.8	3,321.3
Total expenditure	12,644.1	15,092.7	3,094.8	3,349.3
Operating profit/(loss)	63.2	903.6	241.0	(28.0)
Non-operating items	222.3	295.0	39.9	(81.7)
Profit/(Loss) before taxation	285.5	1,198.6	280.9	(109.7)
Profit attributable to equity holders of the Company	215.8	1,061.5	278.0	41.9
Financial Position (\$ million)				
Share capital	1,750.6	1,684.8		
Treasury shares	(0.9)	(44.4)		
Capital reserve	74.8	86.3		
Foreign currency translation reserve	(137.0)	(137.9)		
Share-based compensation reserve	185.3	187.3		
Fair value reserve	(140.9)	(660.8)		
General reserve	11,737.0	12,815.3		
Equity attributable to equity holders of the Company	13,468.9	13,930.6		
Return on equity holders' fund (%) ^{R2}	1.6	7.3		
Value added	4,276.4	5,570.8		
Total assets	22,484.3	24,818.5		
Total debt	1,338.9	1,692.5		
Total debt equity ratio (times) ^{R3}	0.10	0.12		
Ordinary Dividends				
Interim dividend (cents per share)	-	20.0		
Proposed final dividend (cents per share)	12.0	20.0		
Dividend cover (times) ^{R4}	1.5	2.2		
Per Share Data				
Earnings before tax (cents)	24.1	101.2		
Earnings after tax (cents) - basic ^{R5}	18.2	89.6		
- diluted ^{R5}	18.0	89.1		
Net asset value (\$) ^{R7}	11.30	11.78		

^{R1} Singapore Airlines' financial year is from 1 April to 31 March. Throughout this report, all figures are in Singapore dollars, unless stated otherwise.

^{R2} Return on equity holders' funds is profit attributable to equity holders of the Company expressed as a percentage of the average equity holders' funds.

^{R3} Total debt equity ratio is total debt divided by equity attributable to equity holders of the Company as at 31 March.

^{R4} Dividend cover is profit attributable to equity holders of the Company divided by total ordinary dividends.

^{R5} 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 less treasury shares.

^{R6} 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 less treasury shares, adjusted for the dilutive effect on the exercise of all outstanding share options granted.

^{R7} 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 less treasury shares at 31 March.

OPERATING STATISTICS

	2009-10	2008-09	4 th Quarter 2009-10	4 th Quarter 2008-09
<u>Singapore Airlines</u>				
Passenger carried (thousand)	16,480	18,293	4,066	3,907
Revenue passenger-km (million)	82,882.5	90,128.1	20,866.7	19,536.2
Available seat-km (million)	105,673.7	117,788.7	26,094.0	27,426.7
Passenger load factor (%)	78.4	76.5	80.0	71.2
Passenger yield (cents/pkm)	10.4	12.5	11.1	11.8
Passenger unit cost (cents/ask)	8.6	9.2	8.6	9.1
Passenger breakeven load factor (%)	82.7	73.6	77.5	77.1
<u>SIA Cargo</u>				
Cargo and mail carried (million kg)	1,122.4	1,219.5	273.0	256.7
Cargo load (million tonne-km)	6,659.1	7,299.3	1,623.6	1,524.0
Gross capacity (million tonne-km)	10,510.1	12,292.5	2,506.2	2,697.1
Cargo load factor (%)	63.4	59.4	64.8	56.5
Cargo yield (cents/ltk)	32.0	38.2	34.9	29.2
Cargo unit cost (cents/ctk)	21.9	24.9	22.4	21.9
Cargo breakeven load factor (%)	68.4	65.2	64.2	75.0
<u>Singapore Airlines and SIA Cargo</u>				
Overall load (million tonne-km)	14,508.4	15,876.9	3,602.7	3,387.6
Overall capacity (million tonne-km)	20,962.1	23,946.0	5,087.1	5,411.1
Overall load factor (%)	69.2	66.3	70.8	62.6
Overall yield (cents/ltk)	74.7	88.6	80.3	81.6
Overall unit cost (cents/ctk)	53.8	57.7	54.4	56.5
Overall breakeven load factor (%)	72.0	65.1	67.7	69.2
<u>Employee Productivity (Average) – Company</u>				
Average number of employees	13,934	14,343		
Seat capacity per employee (seat-km)	7,583,874	8,212,278		
Passenger load per employee (tonne-km)	563,318	598,047		
Revenue per employee (\$)	728,075	909,817		
Value added per employee (\$)	219,678	294,666		
<u>Employee Productivity (Average) – Group</u>				
Average number of employees	33,222	31,834		
Revenue per employee (\$)	472,918	502,491		
Value added per employee (\$)	159,151	174,995		

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)