

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**GROUP PROFIT AND LOSS ACCOUNTS (\$ million)
for the first quarter ended 30 June 2003**

	The Group	
	1st Quarter 2003-04	1st Quarter 2002-03
REVENUE	1,653.4	2,538.9
EXPENDITURE		
Staff costs	436.9	511.3
Fuel	380.1	447.3
Depreciation	289.0	262.5
Provision for impairment of fixed assets	--	--
Aircraft maintenance and overhaul	167.2	178.3
Commission and incentives	109.7	159.6
Landing fees, parking and overflying charges	108.0	140.2
Handling charges	98.2	156.1
Rentals on lease of aircraft	85.9	85.8
Material costs	55.2	81.6
Company accommodation and utilities	37.7	31.6
Insurance	35.5	45.6
Advertising and sales costs	31.0	52.5
In-flight meals	26.2	50.9
Other passenger costs	19.4	35.0
Crew accommodation and transport	18.7	23.6
Other operating expenses	132.0	33.0
	2,030.7	2,294.9
OPERATING (LOSS)/PROFIT	(377.3)	244.0
Finance charges	(15.2)	(13.5)
Interest income	13.6	9.2
Surplus on disposal of aircraft, spares and spare engines	33.9	26.2
(Loss)/surplus on disposal of other fixed assets	(0.1)	0.2
Dividends from subsidiary and associated companies, gross	--	--
Dividends from long-term investments, gross	2.2	3.1
Provision for diminution in value of long-term investments	(0.9)	--
Surplus on disposal of long-term investments	--	--

Amortization of goodwill	--	--
Share of profits of joint venture companies	0.6	(0.9)
Share of profits/(losses) of associated companies	(6.7)	1.8
(LOSS)/PROFIT BEFORE EXCEPTIONAL ITEMS	(349.9)	270.1
EXCEPTIONAL ITEMS		
Retrenchment and early retirement costs	(41.4)	--
Surplus on liquidation of Asian Frequent Flyer Pte Ltd	--	0.5
	(41.4)	0.5
(LOSS)/PROFIT BEFORE TAXATION	(391.3)	270.6
TAXATION		
Current	(12.8)	(10.9)
Deferred	98.9	(42.3)
Adjustment for reduction in Singapore corporate tax rate	--	277.8
	86.1	224.6
(LOSS)/PROFIT AFTER TAXATION	(305.2)	495.2
Minority interests	(7.1)	(16.8)
(LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS	(312.3)	478.4

Notes:

(i) (Loss)/Profit after taxation is arrived at after charging/(crediting) the following:

	The Group	
	1st Quarter 2003-04	1st Quarter 2002-03
Income from short-term investments	(0.3)	(0.3)
Interest on borrowings	15.2	13.5
Amortisation of deferred gain on sale and leaseback transactions	(34.3)	(33.6)
Loss/(surplus) on disposal of short-term investments	0.1	-
Provision for doubtful debts, net	5.3	3.6
Write-off for stock obsolescence	0.1	0.3
Writeback of diminution in value of short-term investments	(2.1)	(0.2)
Exchange losses/(gains), net	26.7	(5.6)
Adjustment for overprovision of tax in respect of prior years	(11.8)	(277.6)

1(b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEETS
At 30 June 2003

	The Group		The Company	
	1st Quarter 2003-04	1st Quarter 2002-03	1st Quarter 2003-04	1st Quarter 2002-03
SHARE CAPITAL				
Authorized	3,000.0	3,000.0	3,000.0	3,000.0
Issued and fully paid	609.1	609.1	609.1	609.1
RESERVES				
Distributable				
General reserve	9,226.8	9,539.1	9,138.7	9,485.3
Foreign currency translation reserve	42.5	41.3	--	--
Non-distributable				
Share premium	447.2	447.2	447.2	447.2
Capital redemption reserve	64.4	64.4	64.4	64.4
Capital reserve	7.7	7.7	--	--
	<u>9,788.6</u>	<u>10,099.7</u>	<u>9,650.3</u>	<u>9,996.9</u>
SHARE CAPITAL AND RESERVES	10,397.7	10,708.8	10,259.4	10,606.0
MINORITY INTERESTS	274.5	267.5	--	--
DEFERRED ACCOUNT	487.9	523.1	428.6	462.7
DEFERRED TAXATION	2,151.6	2,251.0	1,718.3	1,807.9
LONG-TERM LIABILITIES	1,880.3	1,879.6	1,482.8	1,483.9
	<u>15,192.0</u>	<u>15,630.0</u>	<u>13,889.1</u>	<u>14,360.5</u>
Represented by:-				
FIXED ASSETS				
Aircraft, spares and spare engines	11,724.8	11,723.6	9,387.5	9,345.6
Land and buildings	1,044.1	1,057.5	355.5	360.9
Others	2,581.5	2,624.9	1,872.3	1,951.6
	<u>15,350.4</u>	<u>15,406.0</u>	<u>11,615.3</u>	<u>11,658.1</u>
GOODWILL ON CONSOLIDATION	1.5	1.5	--	--
SUBSIDIARY COMPANIES	--	--	2,290.7	2,291.0
ASSOCIATED COMPANIES	491.4	500.7	1,721.8	1,721.8
JOINT VENTURE COMPANIES	296.0	296.4	118.8	118.8
LONG-TERM INVESTMENTS	525.5	569.6	445.4	489.4
CURRENT ASSETS				
Trade debtors	916.5	1,071.9	556.7	651.9
Stocks	61.7	80.8	29.4	29.0
Investments	171.2	148.3	--	--
Amounts owing by associated companies -- net	0.5	--	--	--

Amounts owing by joint venture companies	--	1.0	--	--
Section 44 tax prepayments	287.9	287.9	287.9	287.9
Cash and bank balances	675.6	819.9	274.7	428.7
	<u>2,113.4</u>	<u>2,409.8</u>	<u>1,148.7</u>	<u>1,397.5</u>
Less:- CURRENT LIABILITIES				
Loans-repayable within one year	547.8	224.7	328.7	--
Finance lease commitments-repayable within one year	13.0	13.0	--	--
Bank overdrafts-unsecured	30.4	30.6	29.1	29.1
Trade creditors	1,652.5	1,928.3	967.9	1,207.0
Amounts owing to subsidiary companies -- net	--	--	909.0	844.3
Amounts owing to associated companies -- net	--	19.5	--	20.0
Sales in advance of carriage	840.2	849.6	792.4	798.6
Deferred revenue	211.2	205.3	211.2	205.3
Current tax payable	291.1	283.0	213.3	211.8
	<u>3,586.2</u>	<u>3,554.0</u>	<u>3,451.6</u>	<u>3,316.1</u>
NET CURRENT LIABILITIES	<u>(1,472.8)</u>	<u>(1,144.2)</u>	<u>(2,302.9)</u>	<u>(1,918.6)</u>
	<u>15,192.0</u>	<u>15,630.0</u>	<u>13,889.1</u>	<u>14,360.5</u>

1(b) (ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/06/2003		As at 31/03/2003	
Secured	Unsecured	Secured	Unsecured
\$30.6M	\$560.6M	\$36.1M	\$232.2M

Amount repayable in one year or less, or on demand

As at 30/06/2003		As at 31/03/2003	
Secured	Unsecured	Secured	Unsecured
\$979.6M	\$900.7M	\$978.8M	\$900.8M

Details of any collateral

\$214.4 million of the secured borrowings are secured by a first priority mortgage over 1 B747-400 freighter, of which \$17.4 million is repayable within one year. The remaining secured borrowings pertained to finance leases of aircraft and plant and equipment.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED CASH FLOW STATEMENTS
for the first quarter ended 30 June 2003

The Group	
1st Quarter 2003-04	1st Quarter 2002-03

**NET CASH (USED IN)/PROVIDED BY OPERATING
ACTIVITIES**

(287.9) 719.3

CASH FLOW FROM INVESTING ACTIVITIES

Capital expenditure	(598.5)	(582.5)
Proceeds from disposal of aircraft and other fixed assets	414.4	216.8
Return on capital from associated companies	--	--
Return on capital from joint venture companies	--	--
Return on capital from long-term investments	--	2.8
Investments in associated companies	(20.0)	(11.9)
Investments in joint venture companies	--	(2.7)
Investment in subsidiary companies by minority interests	--	--
Investment in subsidiary companies	--	--
Acquisition of subsidiary companies, net of cash acquired	--	--
Additional long-term investments	--	(0.1)
Additional long-term loans	--	(0.1)
Loans to associated companies	--	--
Loans to subsidiary companies	--	--
Repayment of loans by subsidiary companies	--	--
Repayment of loans by associated companies	0.1	0.3
Repayment of loans	--	--
Proceeds from liquidation of associated companies	--	1.0
Proceeds from sale of long-term investments	42.3	--
Proceeds from disposal of associated companies	--	--
Dividends from subsidiary and associated companies	2.0	6.4
Dividends received from investments	2.4	2.6
Interest received from investments and deposits	10.0	4.9
Interest received from subsidiary and associated companies	--	--

NET CASH USED IN INVESTING ACTIVITIES

(147.3) (362.5)

CASH FLOW FROM FINANCING ACTIVITIES

Dividends paid	--	--
Dividends paid by subsidiary companies to minority interests	--	--
Interest expense paid	(22.0)	(35.8)
Proceeds from borrowings	936.2	--
Repayment of borrowings	(611.6)	(220.1)
(Decrease)/increase in long-term lease liabilities	--	(0.1)
Proceeds from exercise of share options	--	--

Capital reduction	--	--
Share buyback	--	--
Dividends received from share buyback	--	--
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	<u>302.6</u>	<u>(256.0)</u>
NET CASH (OUTFLOW)/INFLOW	(132.6)	100.8
CASH AND CASH EQUIVALENTS AT 1 APRIL	789.3	1,034.8
Effect of exchange rate changes	<u>(11.5)</u>	<u>(16.2)</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>645.2</u>	<u>1,119.4</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits	412.9	874.2
Cash and bank	262.7	248.2
Bank overdrafts -- unsecured	<u>(30.4)</u>	<u>(3.0)</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>645.2</u>	<u>1,119.4</u>

Cash Flow from Operating Activities

	The Group	
	1st Quarter 2003-04	1st Quarter 2002-03
Operating (loss)/profit	(377.3)	244.0
Adjustments for:-		
Depreciation of fixed assets	289.0	262.5
Provision for impairment of fixed assets		--
Income from short-term investments	(0.3)	(0.3)
Exchange differences	11.6	(0.7)
Write-down of loan to associated companies	--	--
Amortization of deferred gain on sale and leaseback transactions	<u>(34.3)</u>	<u>(33.6)</u>
Operating (loss)/profit before working capital changes	(111.3)	471.9
(Decrease)/increase in creditors	(305.8)	62.7
(Increase)/decrease in short term investments	(22.9)	2.1
(Decrease)/increase in sales in advance of carriage	(9.4)	13.8
Decrease in debtors	159.1	175.6
Decrease/(increase) in stocks	19.1	(0.9)
(Decrease)/increase in amounts owing to subsidiary and associated companies	--	(0.5)
Increase/(decrease) in deferred revenue	5.9	(2.9)
(Increase)/decrease in amounts owing by subsidiary,		

associated and joint venture companies	1.0	0.3
Cash (used in)/generated from operations	(264.3)	722.1
Retrenchment and early retirement costs	(21.2)	--
Income taxes paid	(2.4)	(2.8)
Net cash (used in)/provided by operating activities	<u>(287.9)</u>	<u>719.3</u>

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**STATEMENTS OF CHANGES IN EQUITY
for the first quarter ended 30 June 2003**

The Group (\$ million)	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	General reserve	Total
Balance at 1 April 2003	609.1	447.2	64.4	7.7	41.3	9,539.1	10,708.8
Currency translation differences	--	--	--	--	1.2	--	1.2
Balance at 30 June 2003	<u>609.1</u>	<u>447.2</u>	<u>64.4</u>	<u>7.7</u>	<u>42.5</u>	<u>9,226.8</u>	<u>10,397.7</u>
Balance at 1 April 2002	609.1	447.2	64.4	6.9	63.8	8,655.2	9,846.6
Currency translation differences	--	--	--	--	(11.2)	--	(11.2)
Net gains and losses not recognized in the profit and loss account	--	--	--	--	(11.2)	--	(11.2)
Profit attributable to shareholders for April-June 2002	--	--	--	--	--	478.4	478.4
Balance at 30 June 2002	<u>609.1</u>	<u>447.2</u>	<u>64.4</u>	<u>6.9</u>	<u>52.6</u>	<u>9,133.6</u>	<u>10,313.8</u>

The Company (\$ million)	Share capital	Share premium	Capital redemption reserve	General reserve	Total
Balance at 1 April 2003	609.1	447.2	64.4	9,485.3	10,606.0
Loss attributable to shareholders for April - June 2003	--	--	--	(346.6)	(346.6)
Balance at 30 June 2003	<u>609.1</u>	<u>447.2</u>	<u>64.4</u>	<u>9,138.7</u>	<u>10,259.4</u>
Balance at 1 April 2002	609.1	447.2	64.4	9,049.0	10,169.7
Profit attributable to shareholders for April - June 2002	--	--	--	336.6	336.6
Balance at 30 June 2002	<u>609.1</u>	<u>447.2</u>	<u>64.4</u>	<u>9,385.6</u>	<u>10,506.3</u>

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL AND OPTIONS ON SHARES IN THE COMPANY

(i) As at 30 June 2002, the number of share option of the company outstanding was 38,517,940.

(ii) During the period April to June 2003, no shares were exercised under the SIA Company Limited Employee Share Option Plan, which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees.

(ii) The movement of share options of the Company during the period April to June 2003 is as follows:

Date of grant	Balance at 1.4.2003	Cancelled	Balance at 30.6.2003	Exercise price	Expiry date
28.3.2000	13,126,430	(56,520)	13,069,910	\$15.34	27.3.2010
03.7.2000	11,868,350	(60,780)	11,807,570	\$16.65	02.7.2010
02.7.2001	13,173,990	(68,325)	13,105,665	\$11.96	01.7.2011
01.7.2002	13,658,152	(52,630)	13,605,522	\$12.82	30.6.2012
	51,826,922	(238,255)	51,588,667		

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Yes. There was no change in the accounting policies and method of computation.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earning per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	1 st Quarter 2003-04	1 st Quarter 2002-03
(Loss)/earnings per shares (cents)		
-Basic	(25.6)	39.3
-Diluted	(25.6)	39.2

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group	
	1 st Quarter 2003-04	1 st Quarter 2003-04
Net asset value per ordinary share (S\$)		
-Basic	(25.6)	(25.6)
-Diluted	(25.6)	(25.6)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

GROUP EARNINGS

The SIA Group's performance in the first quarter of 2003-04 was badly affected by the combined effects of the war in Iraq and the SARS crisis. The Group suffered an operating loss of \$377 million, compared to an operating profit of \$244 million in the first quarter of last year. Revenue fell 35% to \$1,653 million.

Reduction in costs through suspension of recruitment, deferring discretionary spending and reducing the number of flights helped to lower expenditure to \$2,031 million, 12% down on the corresponding period last year.

There was a pre-tax loss for the Group of \$391 million, compared to a profit before tax of \$271 million in the first quarter of last year. A tax credit of \$86 million was accounted for in the first quarter.

An exceptional item of \$41 million was reported in the accounts for retrenchment and early retirement costs.

The loss after tax and minority interest was \$312 million, compared to a profit after tax and minority interest of \$478 million in the first quarter last year.

STEPS TO REDUCE STAFF COSTS

Since staff cost is a major expense, accounting for 23% of the Group's total expenditure in financial year 2002-03, efforts to reduce the wage bill were a priority. Agreements were reached with the five SIA Group unions to take wage cuts of between 5% and 16.5% for different categories of staff from July 2003. Management staff will take wage reductions of between 16.5% and 20%, while Directors of the Board decided to waive 50% of their fees.

The airline's 6,600 cabin crew started taking seven days' no-pay leave every two months from 1 May 2003 until the end of financial year 2003-04, while pilots will take up to two days' no pay leave every month from July 2003.

Also agreed upon was a formula for *ex gratia* payments if certain profit thresholds are met. The lump-sum payments, which will be triggered if Group after tax profit reaches \$200 million, can go up to 115% of the cut in wages.

Overall, the retrenchment and early retirement exercises cost the Group \$41 million. Annualised savings from the reduction in staff numbers, wage cut and no pay leave are estimated to be \$176 million.

9. Whether a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Interested Person Transactions

Name of Interested Person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding IPTS less than \$100,000)	
	1 st Quarter 2003-04 \$	1 st Quarter 2002-03 \$
Singapore Post Ltd	-	125,900
National Computer Systems Pte Ltd	-	112,721
MediaCorp TV Singapore Pte Ltd	-	400,000
Singapore Petroleum Company Ltd	17,752,836	-
Keppel Engineering Pte Ltd	2,353,000	-
Starhub Pte Ltd	103,716	-
Asia Airfreight Terminal Company Ltd	5,116,673	-
ST Aerospace Supplies Pte Ltd	226,245	-
G3 Worldwide Mails (S) Pte Ltd	440,262	-
Keppel Electric Pte Ltd	660,054	-
Hotel International AG	134,320	-
Total	26,787,106	638,621

BY ORDER OF THE BOARD

Mathew Samuel
Foo Kim Boon
Company Secretaries

30th July 2003