



**UNAUDITED RESULTS FOR HALF YEAR AND SECOND QUARTER  
ENDED 30 SEPTEMBER 2007**

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

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2007 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2007-08	2nd Quarter 2006-07	1st Half 2007-08	1st Half 2006-07
<b>REVENUE</b>	3,967.1	3,608.6	7,589.2	7,029.6
<b>EXPENDITURE</b>				
Staff costs	725.6	634.8	1,372.0	1,207.0
Fuel costs	1,246.5	1,334.2	2,411.6	2,557.4
Depreciation	373.6	322.4	730.7	639.1
Amortisation of intangible assets	10.0	12.4	21.0	25.5
Aircraft maintenance and overhaul costs	118.8	81.1	228.4	197.0
Commission and incentives	108.2	105.6	217.1	200.3
Landing, parking and overflying charges	167.3	164.1	329.4	326.2
Handling charges	148.2	152.6	293.5	298.7
Rentals on leased aircraft	85.9	100.0	168.8	188.1
Material costs	88.6	78.3	180.0	164.9
Inflight meals	63.5	65.6	128.2	129.1
Advertising and sales costs	68.8	63.3	125.3	120.1
Insurance expenses	18.7	26.3	38.3	51.8
Company accommodation and utilities	42.5	42.4	83.2	83.1
Other passenger costs	31.4	35.1	63.0	62.9
Crew expenses	35.5	31.7	69.3	61.8
Other operating expenses	115.5	99.3	147.6	183.4
	<u>3,448.6</u>	<u>3,349.2</u>	<u>6,607.4</u>	<u>6,496.4</u>
<b>OPERATING PROFIT</b>	518.5	259.4	981.8	533.2
Finance charges	(26.9)	(38.9)	(50.4)	(63.6)
Interest income	47.3	44.5	91.4	79.4
Surplus/(loss) on disposal of aircraft, spares and spare engines	18.0	(1.3)	12.5	108.6
Dividends from long-term investments, gross	13.6	21.9	24.2	26.6
Other non-operating items	14.2	3.8	44.9	7.7
Share of profits of joint venture companies	14.7	17.9	25.7	34.7
Share of profits of associated companies	58.8	97.1	84.7	114.1
<b>PROFIT BEFORE EXCEPTIONAL ITEMS</b>	658.2	404.4	1,214.8	840.7
Exceptional item	--	--	--	223.3
<b>PROFIT BEFORE TAXATION</b>	658.2	404.4	1,214.8	1,064.0
<b>TAXATION</b>	(126.5)	(90.2)	(236.9)	(155.6)
<b>PROFIT FOR THE PERIOD</b>	<u>531.7</u>	<u>314.2</u>	<u>977.9</u>	<u>908.4</u>
<b>PROFIT ATTRIBUTABLE TO:</b>				
<b>EQUITY HOLDERS OF THE COMPANY</b>	507.8	293.2	931.9	868.3
<b>MINORITY INTERESTS</b>	23.9	21.0	46.0	40.1
	<u>531.7</u>	<u>314.2</u>	<u>977.9</u>	<u>908.4</u>
<b>BASIC EARNINGS PER SHARE (CENTS)</b>	40.8	23.9	74.7	70.8
<b>DILUTED EARNINGS PER SHARE (CENTS)</b>	40.3	23.7	73.5	70.3

**Notes:**

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

	The Group		The Group	
	2nd Quarter 2007-08	2nd Quarter 2006-07	1st Half 2007-08	1st Half 2006-07
Interest income from short-term investments	(0.2)	(0.2)	(0.4)	(0.4)
Dividend income from short-term investments	(0.3)	(0.3)	(0.6)	(0.6)
Interest income	(47.3)	(44.5)	(91.4)	(79.4)
Finance charges	26.9	38.9	50.4	63.6
Amortisation of deferred gain on sale and leaseback transactions	(25.6)	(22.8)	(51.8)	(45.1)
Surplus on disposal of short-term investments	(3.1)	(0.5)	(5.0)	(1.5)
Bad debts written off	0.1	1.2	0.5	1.1
Impairment/(writeback) of trade debtors	0.9	1.8	1.5	(0.9)
Exchange loss, net	46.0	11.6	14.0	23.4
Adjustment for over provision of tax in respect of prior years	--	(0.5)	(0.2)	(1.3)

**(ii) The non-operating items comprise the following:**

	The Group		The Group	
	2nd Quarter 2007-08	2nd Quarter 2006-07	1st Half 2007-08	1st Half 2006-07
Recognition of liquidated damages	13.9	--	27.6	--
Surplus on disposal of other fixed assets	--	3.5	16.6	7.1
Amortisation of deferred gain on sale and finance leaseback transactions	0.3	0.3	0.7	0.7
Impairment of long-term investments	--	--	--	(0.1)
	<u>14.2</u>	<u>3.8</u>	<u>44.9</u>	<u>7.7</u>

**(iii) The exceptional item was in respect of the following:**

	The Group		The Group	
	2nd Quarter 2007-08	2nd Quarter 2006-07	1st Half 2007-08	1st Half 2006-07
Surplus on sale of SIA Building	--	--	--	223.3

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 AS AT 30 SEPTEMBER 2007 (in \$ million)**

	The Group		The Company	
	30-Sep 2007	31-Mar 2007	30-Sep 2007	31-Mar 2007
<b>SHARE CAPITAL</b>	1,623.1	1,494.9	1,623.1	1,494.9
<b>RESERVES</b>				
Capital reserve	44.9	44.9	--	--
Foreign currency translation reserve	(63.7)	(59.5)	--	--
Share-based compensation reserve	103.9	97.3	75.2	71.2
Fair value reserve	20.5	(45.5)	32.7	(18.1)
General reserve	12,048.3	13,567.9	10,936.1	12,544.1
	12,153.9	13,605.1	11,044.0	12,597.2
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	13,777.0	15,100.0	12,667.1	14,092.1
<b>MINORITY INTERESTS</b>	485.3	443.3	--	--
<b>TOTAL EQUITY</b>	14,262.3	15,543.3	12,667.1	14,092.1
<b>DEFERRED ACCOUNT</b>	897.0	973.6	751.8	810.8
<b>DEFERRED TAXATION</b>	2,482.0	2,410.9	2,048.0	1,981.5
<b>LONG-TERM LIABILITIES</b>	1,664.4	1,805.8	900.0	900.0
	19,305.7	20,733.6	16,366.9	17,784.4
Represented by:-				
<b>FIXED ASSETS</b>				
Aircraft, spares and spare engines	12,931.3	12,944.3	10,179.5	10,204.2
Land and buildings	745.2	772.1	129.3	137.9
Others	3,003.7	2,574.0	2,687.4	2,257.3
	16,680.2	16,290.4	12,996.2	12,599.4
<b>INTANGIBLE ASSETS</b>	98.9	100.2	69.9	67.0
<b>INVESTMENT PROPERTIES</b>	20.9	21.3	9.4	10.0
<b>SUBSIDIARY COMPANIES</b>	--	--	1,780.8	1,893.1
<b>ASSOCIATED COMPANIES</b>	916.5	897.5	1,722.2	1,722.2
<b>JOINT VENTURE COMPANIES</b>	106.9	86.6	--	--
<b>LONG-TERM INVESTMENTS</b>	43.3	43.3	18.9	18.9
<b>OTHER RECEIVABLES</b>	357.6	303.9	357.6	303.9
<b>CURRENT ASSETS</b>				
Section 44 tax prepayments	--	46.7	--	46.7
Stocks	515.2	534.1	420.3	452.5
Trade debtors	1,936.2	1,952.5	1,302.0	1,429.1
Amounts owing by subsidiary companies	--	--	253.6	215.4
Amounts owing by associated companies	3.2	1.9	--	--
Investments	545.3	596.0	411.2	467.0
Cash and bank balances	4,940.3	5,117.6	4,187.1	4,627.5
	7,940.2	8,248.8	6,574.2	7,238.2
Less: <b>CURRENT LIABILITIES</b>				
Sales in advance of carriage	1,588.6	1,392.9	1,545.0	1,365.1
Deferred revenue	409.2	388.3	409.2	388.3
Current tax payable	325.6	317.9	190.6	158.7
Trade creditors	4,475.6	3,061.8	3,624.6	2,164.7
Amounts owing to subsidiary companies	--	--	1,392.9	1,967.6
Finance lease commitments-repayable within one year	59.4	60.8	--	--
Loans-repayable within one year	0.4	12.8	--	--
Bank overdrafts	--	23.9	--	23.9
	6,858.8	5,258.4	7,162.3	6,068.3
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	1,081.4	2,990.4	(588.1)	1,169.9
	19,305.7	20,733.6	16,366.9	17,784.4

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 September 2007		As at 31 March 2007	
Secured	Unsecured	Secured	Unsecured
\$59.7M	\$0.1M	\$72.8M	\$24.7M

Amount repayable after one year

As at 30 September 2007		As at 31 March 2007	
Secured	Unsecured	Secured	Unsecured
\$562.0M	\$1,102.4M	\$703.2M	\$1,102.6M

Details of any collateral

\$0.2 million of the secured borrowings are secured by equipment and vehicles, of which \$0.1 million is repayable within one year. In addition, \$0.3 million of the secured borrowings obtained by SATS Group are secured by machineries, of which \$0.2 million is repayable within one year. The remaining secured borrowings pertained to finance leases of aircraft (\$621.2 million).

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 SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2007 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2007-08	2nd Quarter 2006-07	1st Half 2007-08	1st Half 2006-07
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	1,123.5	450.9	1,823.9	826.4
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure	(529.5)	(608.1)	(1,166.8)	(1,263.8)
Purchase of intangible assets	(6.9)	(3.9)	(18.4)	(9.7)
Proceeds from disposal of aircraft and other fixed assets	74.0	344.5	75.9	919.7
Acquisition of subsidiary company, net of cash acquired	(1.5)	--	(1.5)	--
Repayment of loans by associated companies	1.0	--	1.0	--
Dividends received from associated and joint venture companies	18.0	6.2	30.7	15.9
Dividends received from investments	13.9	21.9	24.8	27.4
Interest received from investments and deposits	57.1	51.8	95.3	76.6
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(373.9)</b>	<b>(187.6)</b>	<b>(959.0)</b>	<b>(233.9)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividends paid	(1,076.0)	(429.4)	(1,076.0)	(429.4)
Dividends paid by subsidiary companies to minority interests	(37.5)	(59.0)	(37.5)	(59.0)
Interest paid	(23.6)	(32.0)	(50.8)	(53.9)
Proceeds from borrowings	--	--	0.2	--
Repayment of borrowings	(110.6)	(2.9)	(113.6)	(10.6)
(Repayment of)/proceeds from long-term lease liabilities	(18.2)	235.8	(30.9)	228.5
Proceeds from exercise of employee share options	200.1	78.1	315.5	105.4
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,065.8)</b>	<b>(209.4)</b>	<b>(993.1)</b>	<b>(219.0)</b>
<b>NET CASH (OUTFLOW)/INFLOW</b>	<b>(316.2)</b>	<b>53.9</b>	<b>(128.2)</b>	<b>373.5</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD</b>	<b>5,308.9</b>	<b>3,456.2</b>	<b>5,093.7</b>	<b>3,141.2</b>
Effect of exchange rate changes	(52.4)	(10.8)	(25.2)	(15.4)
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>4,940.3</b>	<b>3,499.3</b>	<b>4,940.3</b>	<b>3,499.3</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Fixed deposits	4,616.4	2,773.8	4,616.4	2,773.8
Cash and bank	323.9	755.3	323.9	755.3
Bank overdrafts	--	(29.8)	--	(29.8)
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>4,940.3</b>	<b>3,499.3</b>	<b>4,940.3</b>	<b>3,499.3</b>

**CASH FLOW FROM OPERATING ACTIVITIES (in \$ million)**

	The Group		The Group	
	2nd Quarter 2007-08	2nd Quarter 2006-07	1st Half 2007-08	1st Half 2006-07
Profit before taxation	658.2	404.4	1,214.8	1,064.0
Adjustments for:-				
Depreciation	373.6	322.4	730.7	639.1
Amortisation of intangible assets	10.0	12.4	21.0	25.5
Income from short-term investments	(0.5)	(0.5)	(1.0)	(1.0)
Share-based compensation expense	20.2	12.6	35.1	25.2
Exchange differences	33.4	30.6	13.9	23.8
Amortisation of deferred gain on sale and leaseback transactions	(25.6)	(22.8)	(51.8)	(45.1)
Finance charges	26.9	38.9	50.4	63.6
Interest income	(47.3)	(44.5)	(91.4)	(79.4)
(Surplus)/loss on disposal of aircraft, spares and spare engines	(18.0)	1.3	(12.5)	(108.6)
Dividends from long-term investments, gross	(13.6)	(21.9)	(24.2)	(26.6)
Other non-operating items	(14.2)	(3.8)	(44.9)	(7.7)
Share of profits of joint venture companies	(14.7)	(17.9)	(25.7)	(34.7)
Share of profits of associated companies	(58.8)	(97.1)	(84.7)	(114.1)
Surplus on sale of SIA Building	--	--	--	(223.3)
Operating profit before working capital changes	929.6	614.1	1,729.7	1,200.7
(Decrease)/increase in creditors	(305.9)	(109.4)	(120.6)	42.7
Decrease/(increase) in short term investments	400.3	30.3	52.2	(304.2)
Increase in sales in advance of carriage	45.3	23.6	195.7	146.9
Decrease/(increase) in debtors	91.2	(100.2)	29.9	(210.9)
Decrease/(increase) in stocks	9.1	(9.5)	18.9	(58.3)
Increase in deferred revenue	9.2	30.4	20.9	45.8
Decrease/(increase) in amounts owing by associated and joint venture companies	0.6	(1.5)	(1.3)	(1.3)
Cash generated from operations	1,179.4	477.8	1,925.4	861.4
Income taxes paid	(55.9)	(26.9)	(101.5)	(35.0)
Net cash provided by operating activities	1,123.5	450.9	1,823.9	826.4

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 capitalisation 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 SECOND QUARTER ENDED 30 SEPTEMBER 2007 (in \$ million)**

The Group	Attributable to Equity Holders of the Company								Total equity
	Share capital	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Minority interests	
Balance at 1 July 2007	1,596.1	44.9	(43.9)	106.8	(9.8)	13,998.7	15,692.8	480.6	16,173.4
Currency translation differences	--	--	(19.8)	--	--	--	(19.8)	(3.8)	(23.6)
Net fair value changes on available-for-sale assets	--	--	--	--	(7.3)	--	(7.3)	--	(7.3)
Net fair value changes on cash flow hedges	--	--	--	--	56.6	--	56.6	--	56.6
Share of associated companies' fair value reserve	--	--	--	--	(19.0)	--	(19.0)	--	(19.0)
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	(6.8)	--	18.1	11.3	22.1	33.4
Net income and expense not recognised in the profit and loss account	--	--	(19.8)	(6.8)	30.3	18.1	21.8	18.3	40.1
Profit for the period July-September 2007	--	--	--	--	--	507.8	507.8	23.9	531.7
Net income and expense recognised for the period	--	--	(19.8)	(6.8)	30.3	525.9	529.6	42.2	571.8
Share-based payment	--	--	--	20.2	--	--	20.2	--	20.2
Share options exercised	182.9	--	--	(16.2)	--	--	166.7	--	166.7
Share options lapsed	--	--	--	(0.1)	--	0.1	--	--	--
Capital reduction	(155.9)	--	--	--	--	(1,400.4)	(1,556.3)	--	(1,556.3)
Dividends	--	--	--	--	--	(1,076.0)	(1,076.0)	(37.5)	(1,113.5)
Balance at 30 September 2007	<u>1,623.1</u>	<u>44.9</u>	<u>(63.7)</u>	<u>103.9</u>	<u>20.5</u>	<u>12,048.3</u>	<u>13,777.0</u>	<u>485.3</u>	<u>14,262.3</u>

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2006 (in \$ million)**

The Group	Attributable to Equity Holders of the Company							Total	Minority interests	Total equity
	Share capital	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve				
Balance at 1 July 2006	1,216.5	40.8	(38.2)	91.8	140.3	12,593.4	14,044.6	424.1	14,468.7	
Currency translation differences	--	--	(1.7)	--	--	--	(1.7)	(1.2)	(2.9)	
Net fair value changes on available-for-sale assets	--	--	--	--	6.6	--	6.6	--	6.6	
Net fair value changes on cash flow hedges	--	--	--	--	(210.7)	--	(210.7)	--	(210.7)	
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	12.4	12.4	17.0	29.4	
Net income and expense not recognised in the profit and loss account	--	--	(1.7)	--	(204.1)	12.4	(193.4)	15.8	(177.6)	
Profit for the period July-September 2006	--	--	--	--	--	293.2	293.2	21.0	314.2	
Net income and expense recognised for the period	--	--	(1.7)	--	(204.1)	305.6	99.8	36.8	136.6	
Share-based payment	--	--	--	12.6	--	--	12.6	0.8	13.4	
Share options exercised	61.5	--	--	(13.4)	--	--	48.1	--	48.1	
Share options lapsed	--	--	--	(3.3)	--	3.3	--	--	--	
Dividends	--	--	--	--	--	(429.4)	(429.4)	(59.0)	(488.4)	
Balance at 30 September 2006	<u>1,278.0</u>	<u>40.8</u>	<u>(39.9)</u>	<u>87.7</u>	<u>(63.8)</u>	<u>12,472.9</u>	<u>13,775.7</u>	<u>402.7</u>	<u>14,178.4</u>	



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2007 (in \$ million)**

The Company	Share capital	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 July 2007	1,596.1	77.6	0.6	12,887.9	14,562.2
Net fair value changes on available-for-sale assets	--	--	(10.4)	--	(10.4)
Net fair value changes on cash flow hedges	--	--	42.5	--	42.5
Net income not recognised in the profit and loss account	--	--	32.1	--	32.1
Profit for the period July-September 2007	--	--	--	524.6	524.6
Net income recognised for the period	--	--	32.1	524.6	556.7
Share-based payment	--	13.8	--	--	13.8
Share options exercised	182.9	(16.2)	--	--	166.7
Capital reduction	(155.9)	--	--	(1,400.4)	(1,556.3)
Dividends	--	--	--	(1,076.0)	(1,076.0)
Balance at 30 September 2007	<u>1,623.1</u>	<u>75.2</u>	<u>32.7</u>	<u>10,936.1</u>	<u>12,667.1</u>
Balance at 1 July 2006	1,216.5	71.3	53.7	11,407.0	12,748.5
Net fair value changes on available-for-sale assets	--	--	5.1	--	5.1
Net fair value changes on cash flow hedges	--	--	(155.9)	--	(155.9)
Net expense not recognised in the profit and loss account	--	--	(150.8)	--	(150.8)
Profit for the period July-September 2006	--	--	--	466.2	466.2
Net income and expense recognised for the period	--	--	(150.8)	466.2	315.4
Share-based payment	--	7.2	--	--	7.2
Share options exercised	61.5	(9.6)	--	--	51.9
Share options lapsed	--	(2.4)	--	2.4	--
Dividends	--	--	--	(429.4)	(429.4)
Balance at 30 September 2006	<u>1,278.0</u>	<u>66.5</u>	<u>(97.1)</u>	<u>11,446.2</u>	<u>12,693.6</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 SHARE PLANS IN THE COMPANY

### (i) Employee Share Option Plan

As at 30 September 2006, the number of share options of the Company outstanding was 85,450,834.

During the period July to September 2007, 12,899,739 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.

The movement of share options of the Company during the period July to September 2007 is as follows:

Date of grant	Balance at 01.07.2007	Granted during 01.07.2007 to 30.09.2007	Cancelled during 01.07.2007 to 30.09.2007	Exercised during 01.07.2007 to 30.09.2007	Balance at 30.09.2007	Exercise price *	Expiry date
28.03.2000	7,781,760	-	(27,780)	(2,138,865)	5,615,115	\$14.84	27.03.2010
03.07.2000	8,019,010	-	(28,980)	(2,109,595)	5,880,435	\$16.15	02.07.2010
02.07.2001	4,057,656	-	(19,800)	(1,066,623)	2,971,233	\$11.46	01.07.2011
01.07.2002	5,899,849	-	(17,230)	(1,468,468)	4,414,151	\$12.32	30.06.2012
01.07.2003	4,467,922	-	(1,165)	(1,283,907)	3,182,850	\$9.84	30.06.2013
01.07.2004	6,150,807	-	(17,858)	(1,186,486)	4,946,463	\$10.20	30.06.2014
01.07.2005	12,071,972	-	(34,153)	(3,250,854)	8,786,965	\$10.78	30.06.2015
03.07.2006	12,516,619	-	(115,091)	(394,941)	12,006,587	\$12.10	02.07.2016
02.07.2007	-	12,324,345	(43,605)	-	12,280,740	\$18.22	01.07.2017
	60,965,595	12,324,345	(305,662)	(12,899,739)	60,084,539		

\* Following approval by the Company's shareholders of the declaration of a special dividend of \$0.50 per share on 31 July 2007, the Committee administering the Plan has approved a \$0.50 reduction in the exercise prices of all shares options outstanding on 2 August 2007. The exercise prices reflected here are the exercise prices after such adjustment.

### (ii) Restricted Share Plan and Performance Share Plan

As at 30 June 2007, the number of shares outstanding under the Company's Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") were 253,680 and 140,900 respectively.

During the period July to September 2007, the Company granted 513,950 and 153,800 new restricted shares and performance shares under the RSP and PSP respectively.

Depending on the achievement of pre-determined targets over a two-year period for the RSP and a three-year period for the PSP, the final number of restricted shares and performance shares awarded could range between 0% to 120% of the initial grant of the restricted shares and between 0% to 150% of the initial grant of the performance shares.

As at 30 September 2007, the number of shares outstanding under the Company's RSP and PSP were 767,630 and 294,700 respectively.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by our auditors.

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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial reporting compared with the audited financial statements as at 31 March 2007 except for the new Financial Reporting Standard (FRS) 40: Investment Property that came into effect for the Group in the financial year beginning 1 April 2007. The new standard requires the properties (land or a building, or part of a building, or both) held to earn rentals to be classified as "Investment Properties".

In adopting FRS 40, investment properties of the Group and the Company are measured at cost less accumulated depreciation and impairment losses. Under the provision of FRS 40 and FRS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the change in accounting policy has resulted in the following accounts in the financial statements as at 31 March 2007 to be reclassified with no impact to the profit and loss account:

Increased/(decreased) by in \$ million	The Group	The Company
Fixed assets	(21.3)	(10.0)
Investment properties	21.3	10.0

The Group will apply FRS 107 and the amendment to FRS 1 from annual period beginning 1 April 2007. FRS 107 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to FRS 1 requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

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.

Please refer to paragraph 4.

6 Earnings 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		The Group	
	2nd Quarter 2007-08	2nd Quarter 2006-07	1st Half 2007-08	1st Half 2006-07
Earnings per share (cents)				
- Basic	40.8	23.9	74.7	70.8
- Diluted	40.3	23.7	73.5	70.3

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		The Company	
	As at 30 Sep 07	As at 31 Mar 07	As at 30 Sep 07	As at 31 Mar 07
Net asset value per ordinary share (\$)	11.65	12.11	10.71	11.30

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 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.

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%.

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

Actual results are in line with the previous statement.

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.

## **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.

## **SUBSEQUENT EVENT**

On 18 October 2007, Singapore Airlines announced an increase of the fuel surcharge for tickets issued on or after 24 October 2007. The adjustments will offer only partial relief of higher operating costs arising from recent increases in the price of jet fuel. Singapore Airlines will continue to monitor the price of jet fuel and keep the application of the fuel surcharge under active review.

11 Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on? Yes.

Name of dividend	Interim
Dividend type	Cash
Dividend rate	20 cents per ordinary share
Tax rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of dividend	Interim
Dividend type	Cash
Dividend rate	15 cents per ordinary share
Tax rate	Tax exempt (one-tier)

(c) Date payable

The interim dividend will be paid on 30 November 2007.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed on 19 November 2007 for the preparation of dividend warrants. Duly completed and stamped transfers received by the Share Registrar, M&C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to 5.00 p.m. on 16 November 2007 will be registered to determine shareholders' entitlements to the interim dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 16 November 2007 will be entitled to the interim dividend.

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

Not applicable.

13 Interested Person Transactions

Interested person transactions conducted during the second quarter of Financial Year 2007/08:

Name of Interested Person	Aggregate value of all interested person transactions during the quarter under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	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)
	2nd Quarter 2007-08 S(\$)	2nd Quarter 2007-08 S(\$)
Singapore Technologies Engineering Ltd Group: - ST Aerospace Engineering Pte Ltd	-	104,052
The Ascott Group Ltd Group: - Ascott International Management (New Zealand) Pte Ltd	-	121,334
Temasek Holdings Pte Ltd Group (other than the above): - Great Wall Airlines Company Ltd	-	155,875
Total	-	381,261

By Order of the Board

Ethel Tan (Mrs)  
Company Secretary  
31 October 2007



## CONFIRMATION BY THE BOARD

We, Stephen Lee Ching Yen and Chew Choon Seng, being two directors of Singapore Airlines Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the second quarter and half year ended 30 September 2007 financial results to be false or misleading in any material respect.

On behalf of the Board,



STEPHEN LEE CHING YEN  
Chairman



CHEW CHOON SENG  
Chief Executive Officer

31 October 2007