



**UNAUDITED RESULTS FOR HALF YEAR AND SECOND QUARTER  
ENDED 30 SEPTEMBER 2009**

**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 2009 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2009-10	2nd Quarter 2008-09	1st Half 2009-10	1st Half 2008-09
<b>REVENUE</b>	3,082.1	4,379.3	5,953.5	8,511.0
<b>EXPENDITURE</b>				
Staff costs	568.5	649.4	1,186.8	1,329.5
Fuel costs	1,141.7	1,918.1	2,168.5	3,449.6
Depreciation	439.1	422.5	861.3	849.7
Impairment of property, plant and equipment	1.8	--	2.8	--
Amortisation of intangible assets	13.3	11.2	28.2	21.6
Aircraft maintenance and overhaul costs	85.0	101.8	172.1	197.5
Commission and incentives	76.7	109.7	149.9	222.5
Landing, parking and overflying charges	147.2	171.6	293.6	343.0
Handling charges	166.9	153.0	304.7	300.4
Rentals on leased aircraft	142.2	116.2	289.9	223.5
Material costs	118.4	84.6	263.3	157.1
Inflight meals	68.4	64.5	116.9	128.7
Advertising and sales costs	48.5	55.5	113.4	115.3
Insurance expenses	14.2	18.6	29.4	34.0
Company accommodation and utilities	38.3	46.8	84.8	91.0
Other passenger costs	32.9	36.4	65.7	74.9
Crew expenses	38.5	46.0	79.2	93.3
Other operating expenses	121.9	141.7	243.7	304.5
	<u>3,263.5</u>	<u>4,147.6</u>	<u>6,454.2</u>	<u>7,936.1</u>
<b>OPERATING (LOSS)/PROFIT</b>	(181.4)	231.7	(500.7)	574.9
Finance charges	(18.1)	(21.8)	(38.8)	(42.1)
Interest income	9.8	28.0	22.3	55.0
Surplus on disposal of aircraft, spares and spare engines	4.7	13.2	2.9	20.5
Dividends from long-term investments, gross	17.3	9.9	21.2	13.6
Other non-operating items	7.3	1.2	24.0	9.6
Share of profits of joint venture companies	12.6	14.5	29.0	29.8
Share of profits of associated companies	25.7	127.3	48.1	216.9
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	<u>(122.1)</u>	<u>404.0</u>	<u>(392.0)</u>	<u>878.2</u>
<b>TAXATION</b>	<u>(18.6)</u>	<u>(58.5)</u>	<u>(37.8)</u>	<u>(155.2)</u>
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	<u>(140.7)</u>	<u>345.5</u>	<u>(429.8)</u>	<u>723.0</u>
<b>(LOSS)/PROFIT ATTRIBUTABLE TO: EQUITY HOLDERS OF THE COMPANY</b>	<u>(158.8)</u>	<u>323.8</u>	<u>(465.9)</u>	<u>682.4</u>
<b>MINORITY INTERESTS</b>	<u>18.1</u>	<u>21.7</u>	<u>36.1</u>	<u>40.6</u>
	<u>(140.7)</u>	<u>345.5</u>	<u>(429.8)</u>	<u>723.0</u>
<b>BASIC (LOSS)/EARNINGS PER SHARE (CENTS)</b>	(13.4)	27.3	(39.4)	57.6
<b>DILUTED (LOSS)/EARNINGS PER SHARE (CENTS)</b>	(13.4)	27.1	(39.4)	57.2

**Notes:**

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

	The Group		The Group	
	2nd Quarter 2009-10	2nd Quarter 2008-09	1st Half 2009-10	1st Half 2008-09
Interest income from short-term investments	(0.2)	(0.3)	(0.4)	(0.5)
Dividend income from short-term investments	(0.3)	(0.4)	(0.6)	(0.6)
Income from operating lease of aircraft	--	(1.7)	--	(4.6)
Amortisation of deferred gain on sale and operating leaseback transactions	(10.8)	(21.5)	(33.6)	(45.0)
(Surplus)/Loss on disposal of short-term investments	(0.9)	1.4	(1.2)	0.1
Bad debts written off	0.2	0.2	0.4	0.3
Impairment of trade debtors	0.6	4.3	1.1	7.9
Writedown on inventories	2.8	--	5.4	--
Exchange (gain)/loss, net	(14.2)	28.5	(34.1)	81.7
Fuel hedging loss/(gain) recognised in "Fuel costs"	198.4	(185.8)	485.4	(532.8)
Ineffectiveness of fuel hedging contracts recognised in "Fuel costs"	1.2	2.3	1.0	0.6
Adjustment for under/(over) provision of tax in respect of prior years	0.1	(7.7)	1.2	(7.7)

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

	The Group		The Group	
	2nd Quarter 2009-10	2nd Quarter 2008-09	1st Half 2009-10	1st Half 2008-09
Recognition of liquidated damages	1.9	10.5	18.2	18.2
Surplus on disposal of other property, plant and equipment	0.1	0.5	0.2	0.9
Amortisation of deferred gain on sale and finance leaseback transactions	0.2	0.3	0.5	0.7
Impairment of investments	--	(10.0)	--	(10.1)
Loss on partial disposal of a subsidiary company	--	(0.1)	--	(0.1)
Fair value gain on SATS shares*	5.1	--	5.1	--
	<u>7.3</u>	<u>1.2</u>	<u>24.0</u>	<u>9.6</u>

\* Following the completion of the dividend *in specie*, there are 5.4 million resultant fractional SATS shares held by the Company for future disposal.

**Revised FRS 1 Presentation of Financial Statements requires an entity to present all non-owner changes in equity in a Statement of Comprehensive Income. The revised FRS is effective from financial years beginning on or after 1 January 2009. This is a change in disclosure with no impact on the financial position or financial performance of the Group.**

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2009-10	2nd Quarter 2008-09	1st Half 2009-10	1st Half 2008-09
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	(140.7)	345.5	(429.8)	723.0
<b>OTHER COMPREHENSIVE INCOME :</b>				
Currency translation differences	(2.9)	19.7	(27.8)	5.5
Available-for-sale financial assets	4.0	(4.1)	9.9	4.2
Cash flow hedges	63.1	(993.7)	337.0	(515.6)
Surplus on dilution of interest in subsidiary companies due to share options exercised	2.3	6.8	3.2	9.1
Share of other comprehensive (expense)/income of associated and joint venture companies	--	(7.7)	--	135.9
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>	<u>66.5</u>	<u>(979.0)</u>	<u>322.3</u>	<u>(360.9)</u>
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD</b>	<u>(74.2)</u>	<u>(633.5)</u>	<u>(107.5)</u>	<u>362.1</u>
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME ATTRIBUTABLE TO :</b>				
<b>EQUITY HOLDERS OF THE COMPANY</b>	(92.3)	(667.3)	(136.7)	310.2
<b>MINORITY INTERESTS</b>	18.1	33.8	29.2	51.9
	<u>(74.2)</u>	<u>(633.5)</u>	<u>(107.5)</u>	<u>362.1</u>

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009 (in \$ million)**

	The Company		The Company	
	2nd Quarter 2009-10	2nd Quarter 2008-09	1st Half 2009-10	1st Half 2008-09
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	18.1	488.0	(243.6)	715.9
<b>OTHER COMPREHENSIVE INCOME :</b>				
Available-for-sale financial assets	0.7	(1.2)	1.9	10.0
Cash flow hedges	55.1	(805.1)	272.5	(424.3)
Effect of changes in group structure	1,146.3	--	1,146.3	--
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>	<u>1,202.1</u>	<u>(806.3)</u>	<u>1,420.7</u>	<u>(414.3)</u>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>	<u>1,220.2</u>	<u>(318.3)</u>	<u>1,177.1</u>	<u>301.6</u>

**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.**

**STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2009 (in \$ million)**

	The Group		The Company	
	30-Sep 2009	31-Mar 2009	30-Sep 2009	31-Mar 2009
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>				
Share capital	1,684.8	1,684.8	1,684.8	1,684.8
Treasury shares	(21.8)	(44.4)	(21.8)	(44.4)
Capital reserve	90.8	86.3	0.8	(3.7)
Foreign currency translation reserve	(134.6)	(137.9)	--	--
Share-based compensation reserve	179.6	187.3	144.1	135.0
Fair value reserve	(313.9)	(660.8)	(221.6)	(496.0)
General reserve	10,971.1	12,815.3	11,143.7	11,623.3
	12,456.0	13,930.6	12,730.0	12,899.0
<b>MINORITY INTERESTS</b>	261.9	559.8	--	--
<b>TOTAL EQUITY</b>	12,717.9	14,490.4	12,730.0	12,899.0
<b>DEFERRED ACCOUNT</b>	539.6	673.9	485.9	582.3
<b>DEFERRED TAXATION</b>	2,203.7	2,222.0	1,877.1	1,815.9
<b>LONG-TERM LIABILITIES</b>	1,452.5	1,513.5	1,015.0	988.1
	16,913.7	18,899.8	16,108.0	16,285.3
Represented by:-				
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Aircraft, spares and spare engines	13,615.2	13,042.5	11,341.6	10,670.1
Land and buildings	262.6	732.6	112.4	119.0
Others	1,569.2	2,217.3	1,235.5	1,780.1
	15,447.0	15,992.4	12,689.5	12,569.2
<b>INTANGIBLE ASSETS</b>	66.9	553.0	55.6	64.9
<b>INVESTMENT PROPERTIES</b>	--	7.0	--	--
<b>SUBSIDIARY COMPANIES</b>	--	--	1,780.8	1,780.8
<b>ASSOCIATED COMPANIES</b>	494.6	855.3	1,719.8	1,719.8
<b>JOINT VENTURE COMPANIES</b>	126.8	127.5	--	--
<b>LONG-TERM INVESTMENTS</b>	35.3	43.2	18.8	18.8
<b>OTHER NON-CURRENT ASSETS</b>	340.9	403.6	340.9	391.6
<b>CURRENT ASSETS</b>				
Inventories	443.0	503.2	319.6	338.7
Trade debtors	1,172.4	1,485.5	823.5	994.9
Deposits and other debtors	44.2	241.9	20.2	207.6
Prepayments	82.8	101.9	69.7	77.8
Amounts owing by subsidiary companies	--	--	223.9	284.6
Amounts owing by associated companies	--	0.4	--	--
Investments	131.4	655.6	72.2	587.6
Cash and bank balances	3,517.6	3,848.0	3,270.8	3,458.0
	5,391.4	6,836.5	4,799.9	5,949.2
Less: <b>CURRENT LIABILITIES</b>				
Sales in advance of carriage	1,334.5	1,143.6	1,303.3	1,111.6
Deferred revenue	512.0	500.8	512.0	500.8
Current tax payable	226.7	348.0	204.6	272.6
Trade and other creditors	2,813.0	3,581.5	2,194.0	2,692.0
Amounts owing to subsidiary companies	--	--	1,068.1	1,597.8
Amounts owing to associated companies	4.6	0.6	--	--
Finance lease commitments	63.3	66.9	--	--
Loans	--	32.7	--	--
Notes payable	--	200.0	--	--
Other liabilities	35.1	35.3	15.3	26.7
Bank overdrafts	--	9.3	--	7.5
	4,989.2	5,918.7	5,297.3	6,209.0
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	402.2	917.8	(497.4)	(259.8)
	16,913.7	18,899.8	16,108.0	16,285.3

**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 2009		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
\$63.3M	Nil	\$78.3M	\$230.6M

Amount repayable after one year

As at 30 September 2009		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
\$410.7M	\$900.0M	\$489.9M	\$903.0M

Details of any collateral

\$0.1 million of the secured borrowings by SIAEC are secured by equipment and vehicles and are repayable within a year. The remaining secured borrowings pertained to finance leases of aircraft (\$473.9 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 STATEMENT OF CASH FLOWS**

**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2009-10	2nd Quarter 2008-09	1st Half 2009-10	1st Half 2008-09
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
(Loss)/Profit before taxation	(122.1)	404.0	(392.0)	878.2
Adjustments for:-				
Depreciation	439.1	422.5	861.3	849.7
Impairment of property, plant and equipment	1.8	--	2.8	--
Amortisation of intangible assets	13.3	11.2	28.2	21.6
Impairment of trade debtors	0.6	4.3	1.1	7.9
Income from short-term investments	(0.5)	(0.7)	(1.0)	(1.1)
Share-based compensation expense	12.5	17.1	28.7	35.7
Exchange differences	(1.2)	(3.0)	3.7	(1.9)
Amortisation of deferred gain on sale and operating leaseback transactions	(10.8)	(21.5)	(33.6)	(45.0)
Finance charges	18.1	21.8	38.8	42.1
Interest income	(9.8)	(28.0)	(22.3)	(55.0)
Surplus on disposal of aircraft, spares and spare engines	(4.7)	(13.2)	(2.9)	(20.5)
Dividends from long-term investments, gross	(17.3)	(9.9)	(21.2)	(13.6)
Other non-operating items	(7.3)	(1.2)	(24.0)	(9.6)
Share of profits of joint venture companies	(12.6)	(14.5)	(29.0)	(29.8)
Share of profits of associated companies	(25.7)	(127.3)	(48.1)	(216.9)
Operating profit before working capital changes	273.4	661.6	390.5	1,441.8
Increase/(Decrease) in trade and other creditors	38.6	(150.1)	37.0	109.7
Increase/(Decrease) in sales in advance of carriage	79.8	(75.7)	190.9	103.6
Increase in trade debtors	(226.5)	(51.6)	(92.0)	(101.8)
Decrease/(Increase) in deposits and other debtors	58.2	22.7	185.0	(20.9)
(Increase)/Decrease in prepayments	(4.5)	10.2	10.4	6.6
Decrease/(Increase) in inventories	14.1	(3.8)	10.6	(16.1)
Increase in deferred revenue	3.3	22.0	11.2	40.4
Decrease/(Increase) in amounts owing by associated companies	0.1	(0.9)	--	(1.5)
Increase/(Decrease) in amounts owing to associated companies	1.3	(0.7)	4.0	(1.2)
Cash generated from operations	237.8	433.7	747.6	1,560.6
Income taxes paid	(60.0)	(134.2)	(96.7)	(205.9)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>177.8</b>	<b>299.5</b>	<b>650.9</b>	<b>1,354.7</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2009-10	2nd Quarter 2008-09	1st Half 2009-10	1st Half 2008-09
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure	(596.1)	(506.9)	(989.8)	(1,134.4)
Purchase of intangible assets	(2.6)	(7.0)	(7.3)	(11.6)
Proceeds from disposal of aircraft and other property, plant and equipment	13.2	55.0	69.9	737.1
Disposal/(Purchase) of short term investments	50.3	88.7	539.3	(44.6)
Investments in companies pending incorporation	--	--	--	(4.2)
Net cash flow from disposal of a subsidiary company	(301.9)	--	(301.9)	--
Proceeds from disposal of shares in a subsidiary company	--	0.3	--	0.3
Acquisition of minority interests	--	(0.6)	--	(0.6)
Repayment of loans by associated companies	0.2	2.4	0.4	2.6
Dividends received from associated and joint venture companies	17.0	14.5	50.1	25.6
Dividends received from investments	17.6	10.3	21.8	14.2
Interest received from investments and deposits	5.9	28.6	14.9	51.4
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(796.4)</b>	<b>(314.7)</b>	<b>(602.6)</b>	<b>(364.2)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividends paid	(236.9)	(948.7)	(236.9)	(948.7)
Dividends paid by subsidiary companies to minority interests	(37.8)	(55.4)	(37.9)	(55.4)
Interest paid	(13.3)	(6.4)	(35.8)	(28.7)
Proceeds from borrowings	1.4	(1.0)	2.1	--
Repayment of borrowings	(7.3)	(0.2)	(25.0)	(0.3)
Repayment of long-term lease liabilities	(20.6)	(17.5)	(33.7)	(27.9)
Proceeds from issuance of share capital by subsidiary companies to minority interests	--	8.3	1.0	8.8
Proceeds from exercise of share options	17.8	40.6	19.8	49.6
Purchase of treasury shares	--	(11.9)	--	(30.7)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(296.7)</b>	<b>(992.2)</b>	<b>(346.4)</b>	<b>(1,033.3)</b>
<b>NET CASH OUTFLOW</b>	<b>(915.3)</b>	<b>(1,007.4)</b>	<b>(298.1)</b>	<b>(42.8)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD</b>	<b>4,437.9</b>	<b>6,079.3</b>	<b>3,838.7</b>	<b>5,119.0</b>
Effect of exchange rate changes	(5.0)	17.7	(23.0)	13.4
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>3,517.6</b>	<b>5,089.6</b>	<b>3,517.6</b>	<b>5,089.6</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Fixed deposits	3,159.7	4,690.6	3,159.7	4,690.6
Cash and bank	357.9	399.0	357.9	399.0
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>3,517.6</b>	<b>5,089.6</b>	<b>3,517.6</b>	<b>5,089.6</b>

**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 2009 (in \$ million)**

The Group	Attributable to Equity Holders of the Company									
	Share capital	Treasury Shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Minority interests	Total equity
Balance at 1 July 2009	1,684.8	(43.3)	86.5	(154.2)	201.9	(381.0)	12,508.8	13,903.5	571.8	14,475.3
Total comprehensive (expense)/income for the period July to September 2009	--	--	--	(4.0)	(1.2)	67.1	(154.2)	(92.3)	18.1	(74.2)
Share-based compensation expense	--	--	--	--	12.5	--	--	12.5	--	12.5
Share options lapsed	--	--	--	--	(1.1)	--	1.1	--	--	--
Treasury shares reissued pursuant to equity compensation plans	--	21.5	4.3	--	(10.3)	--	--	15.5	--	15.5
Dividend <i>in specie</i>	--	--	--	23.6	(22.2)	--	(1,147.7)	(1,146.3)	--	(1,146.3)
Disposal of a subsidiary company	--	--	--	--	--	--	--	--	(290.2)	(290.2)
Dividends	--	--	--	--	--	--	(236.9)	(236.9)	(37.8)	(274.7)
Balance at 30 September 2009	1,684.8	(21.8)	90.8	(134.6)	179.6	(313.9)	10,971.1	12,456.0	261.9	12,717.9



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2008 (in \$ million)**

The Group	Attributable to Equity Holders of the Company									
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Minority interests	Total equity
Balance at 1 July 2008	1,684.8	(46.8)	94.9	(141.6)	152.1	1,073.4	13,292.4	16,109.2	522.3	16,631.5
Total comprehensive income/(expense) for the period July to September 2008	--	--	--	9.7	(2.5)	(1,005.5)	331.0	(667.3)	33.8	(633.5)
Issuance of share capital by subsidiary companies	--	--	--	--	--	--	--	--	8.3	8.3
Acquisition of minority interests	--	--	--	--	--	--	--	--	(3.3)	(3.3)
Partial disposal of a subsidiary company	--	--	--	--	--	--	--	--	0.3	0.3
Share-based compensation expense	--	--	--	--	17.1	--	--	17.1	--	17.1
Share options lapsed	--	--	--	--	(0.1)	--	0.1	--	--	--
Purchase of treasury shares	--	(11.9)	--	--	--	--	--	(11.9)	--	(11.9)
Treasury shares reissued pursuant to equity compensation plans	--	45.9	(2.9)	--	(9.2)	--	--	33.8	--	33.8
Dividends	--	--	--	--	--	--	(948.7)	(948.7)	(55.4)	(1,004.1)
Balance at 30 September 2008	<u>1,684.8</u>	<u>(12.8)</u>	<u>92.0</u>	<u>(131.9)</u>	<u>157.4</u>	<u>67.9</u>	<u>12,674.8</u>	<u>14,532.2</u>	<u>506.0</u>	<u>15,038.2</u>

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2009 (in \$ million)**

The Company	Share capital	Treasury Shares	Capital Reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 July 2009	1,684.8	(43.3)	(3.5)	145.4	(277.4)	11,361.8	12,867.8
Total comprehensive income for the period July to September 2009	--	--	--	--	55.8	1,164.4	1,220.2
Share-based compensation expense	--	--	--	9.7	--	--	9.7
Share options lapsed	--	--	--	(0.7)	--	0.7	--
Treasury shares reissued pursuant to equity compensation plans	--	21.5	4.3	(10.3)	--	--	15.5
Dividend <i>in specie</i>	--	--	--	--	--	(1,146.3)	(1,146.3)
Dividends	--	--	--	--	--	(236.9)	(236.9)
Balance at 30 September 2009	<u>1,684.8</u>	<u>(21.8)</u>	<u>0.8</u>	<u>144.1</u>	<u>(221.6)</u>	<u>11,143.7</u>	<u>12,730.0</u>

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2008 (in \$ million)**

The Company	Share capital	Treasury shares	Capital Reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 July 2008	1,684.8	(46.8)	(0.7)	109.8	590.6	11,818.0	14,155.7
Total comprehensive (expense)/income for the period July to September 2008	--	--	--	--	(806.3)	488.0	(318.3)
Share-based compensation expense	--	--	--	12.1	--	--	12.1
Purchase of treasury shares	--	(11.9)	--	--	--	--	(11.9)
Treasury shares reissued pursuant to equity compensation plans	--	45.9	(2.9)	(9.2)	--	--	33.8
Dividends	--	--	--	--	--	(948.7)	(948.7)
Balance at 30 September 2008	<u>1,684.8</u>	<u>(12.8)</u>	<u>(3.6)</u>	<u>112.7</u>	<u>(215.7)</u>	<u>11,357.3</u>	<u>12,922.7</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**

#### Share Capital

During the period July to September 2009, the Company did not issue any shares upon exercise of options pursuant to share options exercised under the Employee Share Option Plan.

As at 30 September 2009, the number of ordinary shares in issue was 1,186,547,790, of which 1,917,428 were held by the Company as treasury shares. The share capital was \$1,684.8 million. (30 September 2008 : 1,186,547,790 ordinary shares of which 863,962 were held as treasury shares.)

#### Employee Share Option Plan

As at 30 September 2009, the number of share options of the Company outstanding was 60,887,070 (30 September 2008: 64,369,301).

During the period July to September 2009, 1,432,994 shares were exercised under the Singapore Airlines 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 2009 is as follows :

Date of Grant	Balance at 01.07.2009	Cancelled during 01.07.2009 to 30.09.2009	Exercised during 01.07.2009 to 30.09.2009	Balance at 30.09.2009	Exercise price*	Expiry date
28.03.2000	4,287,331	(58,340)	(4,400)	4,224,591	\$13.13	27.03.2010
03.07.2000	4,508,245	(83,200)	-	4,425,045	\$14.44	02.07.2010
02.07.2001	2,287,913	(83,410)	(86,665)	2,117,838	\$9.75	01.07.2011
01.07.2002	3,373,656	(60,040)	(113,282)	3,200,334	\$10.61	30.06.2012
01.07.2003	2,495,184	(70,670)	(166,377)	2,258,137	\$8.13	30.06.2013
01.07.2004	4,191,239	(73,700)	(288,338)	3,829,201	\$8.49	30.06.2014
01.07.2005	7,393,717	(7,410)	(398,409)	6,987,898	\$9.07	30.06.2015
03.07.2006	10,091,982	(25,365)	(375,523)	9,691,094	\$10.39	02.07.2016
02.07.2007	11,703,045	(55,005)	-	11,648,040	\$16.51	01.07.2017
01.07.2008	12,563,887	(58,995)	-	12,504,892	\$13.12	30.06.2018
	62,896,199	(576,135)	(1,432,994)	60,887,070		

\* Following approval by the Company's shareholders of the declaration of a special dividend of \$0.50 per share on 31 July 2007, the Board Compensation & Industrial Relations Committee approved a reduction of \$0.50 in the exercise prices of the share options outstanding on 2 August 2007. The said Committee approved another \$1.71 reduction in the exercise prices of the share options outstanding on 28 August 2009 following approval by the Company's shareholders of the dividend *in specie* of SATS shares on 31 July 2009. The exercise prices reflected here are the exercise prices after such adjustments.

#### Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

In addition to the Employee Share Option Plan, senior management staff are entitled to two share-based incentive plans, the RSP and PSP, which were approved by the shareholders of the Company on 28 July 2005.

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% and 120% of the initial grant of the restricted shares and between 0% and 150% of the initial grant of the performance shares.

As at 30 September 2009, the number of outstanding shares granted under the Company's RSP and PSP were 1,734,240 (30 September 2008: 1,339,497) and 644,163 (30 September 2008: 524,853) respectively.

The details of the shares awarded under RSP are as follows:

Date of grant	Number of Restricted Shares						Balance at 30.09.2009
	Balance at 01.07.2009	Granted during 01.07.2009 to 30.09.2009	Adjustment <sup>#</sup>	Cancelled	Vested	Modification*	
<b>RSP</b>							
27.07.2006	139,749	-	-	(734)	(74,432)	7,726	72,309
01.08.2007	492,221	-	46,710	(4,071)	(282,960)	30,199	282,099
01.07.2008	645,212	-	-	-	-	77,411	722,623
29.07.2009	-	586,811	-	-	-	70,398	657,209
	1,277,182	586,811	46,710	(4,805)	(357,392)	185,734	1,734,240

<sup>#</sup> Adjustment at the end of two-year performance period upon meeting stated performance targets.

\* Following approval by the Company's shareholders of the dividend *in specie* of SATS shares on 31 July 2009, the Board Compensation and Industrial Relations Committee approved an increase in all restricted shares outstanding on 12 August 2009 under the RSP.

The details of the shares awarded under PSP are as follows:

Date of grant	Number of Performance Shares						Balance at 30.09.2009
	Balance at 01.07.2009	Granted during 01.07.2009 to 30.09.2009	Adjustment <sup>#</sup>	Cancelled	Vested	Modification*	
<b>PSP</b>							
27.07.2006	144,701	-	(35,000)	(4,735)	(104,966)	-	-
01.08.2007	157,952	-	-	-	-	18,947	176,899
01.07.2008	222,200	-	-	-	-	26,664	248,864
29.07.2009	-	195,000	-	-	-	23,400	218,400
	524,853	195,000	(35,000)	(4,735)	(104,966)	69,011	644,163

<sup>#</sup> Adjustment at the end of three-year performance period upon meeting stated performance targets.

\* Following approval by the Company's shareholders of the dividend *in specie* of SATS shares on 31 July 2009, the Board Compensation and Industrial Relations Committee approved an increase in all performance shares outstanding on 12 August 2009 under the PSP.

**1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 September 2009, the number of ordinary shares in issue was 1,186,547,790, of which 1,917,428 were held by the Company as treasury shares. (30 September 2008 : 1,186,547,790 ordinary shares of which 863,962 were held as treasury shares.)

**1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the period between July to September 2009, the Company did not purchase any treasury shares (July to September 2008 : 800,000).

In addition, the Company transferred 1,432,994 of the treasury shares to employees on exercise of share options and another 462,358 were transferred on vesting of share awards plan. Treasury shares are presented as a component within equity attributable to equity holders of the Company.

Group and Company	Number of Shares	Treasury Shares (\$ million)
Balance at 1 July 2009	3,812,780	(43.3)
Treasury shares transferred on exercise of share options	(1,432,994)	16.3
Treasury shares transferred on vesting of share awards plan	(462,358)	5.2
Balance at 30 September 2009	1,917,428	(21.8)

**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 preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2009. The adoption of the new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for financial year beginning on or after 1 April 2009 has no significant impact on the Group.

**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 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 2009-10	2nd Quarter 2008-09	1 <sup>st</sup> Half 2009-10	1 <sup>st</sup> Half 2008-09
Earnings per share (cents)				
- Basic	(13.4)	27.3	(39.4)	57.6
- Diluted	(13.4)	27.1	(39.4)	57.2

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares 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 09	As at 31 Mar 09	As at 30 Sep 09	As at 31 Mar 09
Net asset value per ordinary share (\$)	10.51	11.78	10.75	10.91

**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**

The Group recorded a net loss attributable to equity holders of \$159 million for the second quarter of the financial year. This was an improvement of \$148 million from the first quarter's net loss of \$307 million.

Group revenue for the second quarter at \$3,082 million increased by \$210 million (+7.3%) from the previous quarter.

Expenditure was up \$73 million (+2.3%) quarter-on-quarter due mainly to increase in jet fuel prices. Fuel costs ex-hedging for the second quarter at \$942 million was \$202 million higher than the previous quarter, while losses from fuel hedging fell \$87 million to \$200 million. This was partially offset by lower payrolls and cost savings in other non-fuel expenditure.

As a result, the Group posted an operating loss of \$182 million for the second quarter, less than the \$319 million loss in the first quarter.

The Parent Airline Company turned in an operating loss of \$157 million for the second quarter. This was \$114 million less than the loss in the previous quarter, reflecting improvement in load factors, but also deterioration in yields. Consequently, operating loss for the half year was \$428 million, including fuel hedging loss of \$400 million.

The operating results of the main companies in the Group for the half-year are as follows\*:

Singapore Airlines	Operating loss of	\$ 428 million	(profit of \$495 million in 2008)
SIA Engineering	Operating profit of	\$ 47 million	(profit of \$57 million in 2008)
SIA Cargo	Operating loss of	\$ 193 million	(loss of \$76 million in 2008)
SilkAir	Operating loss of	\$ 5 million	(profit of \$5 million in 2008)

\* SATS Group ceased to be a subsidiary of the Group with effect from 1 September 2009. SATS Group contributed \$71 million to the Group operating profit for the period from 1 April 2009 to 31 August 2009.

Including non-operating items and taxes, the Group net loss attributable to equity holders for the first half of the financial year was \$466 million, against a profit of \$682 million a year ago.

### **BALANCE SHEET REVIEW** **(September 2009 vs March 2009)**

Equity attributable to equity holders decreased by \$1,474.6 million or 10.6% to \$12,456.0 million as at 30 September 2009 due mainly to the deconsolidation of SATS group upon the distribution of the dividend *in specie* (\$1,146.3 million), the half year loss (\$465.9 million) and payment of final dividends in respect of FY2008-09 (\$236.9 million). This was partially offset by an increase in fair value reserve of \$346.9 million. The increase in fair value reserve was mainly due to a decrease in fair value losses on outstanding fuel hedging contracts following a rise in jet fuel prices, partially offset by a reduction in fair value gains on outstanding foreign exchange currency hedging contracts.

Total Group assets decreased by \$2,915.6 million or 11.7% to \$21,902.9 million as at 30 September 2009 mainly as a result of the divestment of SATS Group, with \$2,045.1 million of assets being deconsolidated. Furthermore, investments reduced by \$524.2 million as they were withdrawn upon maturity. Deposits and other debtors declined by \$185.0 million as previously placed margin call deposits in relation to fuel hedging contracts were refunded.

Total Group liabilities fell \$1,143.1 million or 11.1% to \$9,185.0 million as at 30 September 2009 primarily from the deconsolidation of \$608.6 million of SATS Group's liabilities. In addition, trade and other creditors decreased by \$562.5 million, mainly attributable to lower fair value losses on outstanding fuel hedges.

### **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 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**

Advance bookings indicate that demand for air travel has stopped declining and is gradually recovering. The capacity programmed for the remainder of the year appears well matched to the demand. The market conditions allow for some rollback of promotional pricing but yields are unlikely to get back to pre-crisis levels within the next six months.

For the October – March half of the Company's current financial year, hedges had been contracted for 3.5 million barrels of jet fuel, or approximately 20% of projected uplift, at an average of USD100 per barrel. If the recent rise in price of fuel does not retreat, hedging losses will be reduced, but conversely operating cost will be higher.

The cooperation of the employees and the unions on measures necessary to contain costs has assisted the Company to navigate the global economic downturn so far. The directors and the management recognize the sacrifices made by our staff and are confident that with their continued support, the Company will emerge stronger from the recession.

### **11 Dividend**

#### **(a) Current Financial Period Reported on**

**Any dividend declared for the current financial period reported on? No**

#### **(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	20 cents per ordinary share

#### **(c) Date payable**

Not applicable.

#### **(d) Books closure date**

Not applicable.

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

No dividend has been declared / recommended for the period ended 30 September 2009.

**13 Interested Person Transactions**

Interested person transactions conducted during the second quarter of Financial Year 2009-10:

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 2009-10 S(\$)	2nd Quarter 2009-10 S(\$)
<b>Singapore Airport Terminal Services Limited Group</b>		
- Aero Laundry & Linen Services Private Ltd	-	944,290
- Beijing Airport Inflight Kitchen Limited	-	357,017
- Beijing Aviation Ground Services Company Ltd	-	375,648
- SATS Airport Services Pte Ltd	-	2,185,000
- SATS Catering Pte Ltd	-	2,006,965
- SATS HK Limited	-	148,296
- Singapore Airport Terminal Services Limited	-	34,326,833
- PT Jasa Angkasa Semesta Tbk	-	757,815
- Taj SATS Air Catering Ltd	-	238,882
<b>Singapore Technologies Engineering Ltd Group</b>		
- ST Aerospace Engineering Pte Ltd	-	130,877
<b>Singapore Telecommunications Ltd Group</b>		
- NCS Pte Ltd	-	1,259,400
<b>Temasek Holdings Pte Ltd Group</b>		
- Great Wall Airlines Co Ltd	-	819,419
<b>Total Interested Persons Transactions</b>	-	<b>43,550,442</b>

By Order of the Board

Ethel Tan (Mrs)  
Company Secretary  
10 November 2009

**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 2009 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

10 November 2009