



**UNAUDITED RESULTS FOR HALF YEAR AND SECOND QUARTER
ENDED 30 SEPTEMBER 2010**

**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 2010 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2010-11	2nd Quarter 2009-10	1st Half 2010-11	1st Half 2009-10
REVENUE	3,631.2	3,082.1	7,097.0	5,953.5
EXPENDITURE				
Staff costs	563.9	568.5	1,091.0	1,186.8
Fuel costs	1,092.1	1,141.7	2,223.1	2,168.5
Depreciation	408.9	439.1	816.1	861.3
Impairment of property, plant and equipment	3.8	1.8	14.6	2.8
Amortisation of intangible assets	6.3	13.3	12.4	28.2
Aircraft maintenance and overhaul costs	102.6	85.0	195.1	172.1
Commission and incentives	102.4	76.7	198.9	149.9
Landing, parking and overflying charges	154.8	147.2	302.2	293.6
Handling charges	232.5	166.9	462.0	304.7
Rentals on leased aircraft	145.0	142.2	283.4	289.9
Material costs	57.3	118.4	122.9	263.3
Inflight meals	109.5	68.4	211.3	116.9
Advertising and sales costs	48.6	48.5	96.5	113.4
Insurance expenses	12.8	14.2	28.6	29.4
Company accommodation and utilities	28.0	38.3	54.8	84.8
Other passenger costs	32.1	32.9	70.8	65.7
Crew expenses	32.2	38.5	65.9	79.2
Other operating expenses	152.7	121.9	251.2	243.7
	<u>3,285.5</u>	<u>3,263.5</u>	<u>6,500.8</u>	<u>6,454.2</u>
OPERATING PROFIT/(LOSS)	345.7	(181.4)	596.2	(500.7)
Finance charges	(17.0)	(18.1)	(32.5)	(38.8)
Interest income	9.8	9.8	19.5	22.3
Surplus on disposal of aircraft, spares and spare engines	67.9	4.7	92.3	2.9
Dividends from long-term investments, gross	11.8	17.3	15.9	21.2
Other non-operating items	18.0	7.3	21.6	24.0
Share of profits of joint venture companies	19.7	12.6	38.7	29.0
Share of profits of associated companies	24.5	25.7	46.2	48.1
PROFIT/(LOSS) BEFORE TAXATION	<u>480.4</u>	<u>(122.1)</u>	<u>797.9</u>	<u>(392.0)</u>
TAXATION	<u>(85.5)</u>	<u>(18.6)</u>	<u>(135.1)</u>	<u>(37.8)</u>
PROFIT/(LOSS) FOR THE PERIOD	<u>394.9</u>	<u>(140.7)</u>	<u>662.8</u>	<u>(429.8)</u>
PROFIT/(LOSS) ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	380.2	(158.8)	632.7	(465.9)
NON-CONTROLLING INTERESTS	14.7	18.1	30.1	36.1
	<u>394.9</u>	<u>(140.7)</u>	<u>662.8</u>	<u>(429.8)</u>
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)	31.8	(13.4)	53.0	(39.4)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	31.4	(13.4)	52.3	(39.4)

Note : SATS Group was deconsolidated from the Group with effect from 1 September 2009, after completion of the dividend *in specie* distribution. For comparison purposes, a proforma consolidated profit and loss account for half year and second quarter ended 30 September 2009 was prepared to exclude the operations of SATS Group. Please refer to Annex 1 for the proforma consolidated profit and loss account.

Notes:

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

	The Group		The Group	
	2nd Quarter 2010-11	2nd Quarter 2009-10	1st Half 2010-11	1st Half 2009-10
Interest income from short-term investments	(0.2)	(0.2)	(0.4)	(0.4)
Dividend income from short-term investments	(0.4)	(0.3)	(0.7)	(0.6)
Income from operating lease of aircraft	(23.4)	--	(30.5)	--
Amortisation of deferred gain on sale and operating leaseback transactions	(7.8)	(10.8)	(15.9)	(33.6)
Surplus on disposal of short-term investments	(0.3)	(0.9)	(1.0)	(1.2)
Bad debts written off	0.4	0.2	0.6	0.4
(Write-back)/Impairment of trade debtors	(1.6)	0.6	(1.1)	1.1
Writedown on inventories	3.5	2.8	6.3	5.4
Exchange loss/(gain), net	22.2	(7.1)	57.4	24.6
Currency hedging loss/(gain)	15.9	(7.1)	14.0	(58.7)
Fuel hedging loss recognised in "Fuel costs"	40.2	198.4	117.7	485.4
Ineffectiveness of fuel hedging contracts recognised in "Fuel costs"	--	1.1	--	0.9
(Over)/under provision of tax in respect of prior years	(4.2)	0.1	(6.0)	1.2

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

	The Group		The Group	
	2nd Quarter 2010-11	2nd Quarter 2009-10	1st Half 2010-11	1st Half 2009-10
Recognition of liquidated damages	18.6	1.9	25.5	18.2
Surplus/(Loss) on disposal of other property, plant and equipment	0.1	0.1	(0.5)	0.2
Loss on sale of Service Quality (SQ) Centre Pte Ltd	(0.7)	--	(0.7)	--
Provision for legal claims	--	--	(2.7)	--
Fair value gain on SATS shares	--	5.1	--	5.1
Amortisation of deferred gain on sale and finance leaseback transactions	--	0.2	--	0.5
	<u>18.0</u>	<u>7.3</u>	<u>21.6</u>	<u>24.0</u>

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2010 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2010-11	2nd Quarter 2009-10	1st Half 2010-11	1st Half 2009-10
PROFIT/(LOSS) FOR THE PERIOD	394.9	(140.7)	662.8	(429.8)
OTHER COMPREHENSIVE INCOME :				
Currency translation differences	(28.5)	(2.9)	(29.6)	(27.8)
Available-for-sale financial assets	2.5	4.0	0.2	9.9
Cash flow hedges	(43.5)	63.1	12.5	337.0
Surplus on dilution of interest in subsidiary companies due to share options exercised	12.6	2.3	16.2	3.2
Share of other comprehensive income of associated companies	(0.6)	--	(0.6)	--
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD	<u>(57.5)</u>	<u>66.5</u>	<u>(1.3)</u>	<u>322.3</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD	<u>337.4</u>	<u>(74.2)</u>	<u>661.5</u>	<u>(107.5)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) ATTRIBUTABLE TO :				
OWNERS OF THE PARENT	323.5	(92.3)	628.9	(136.7)
NON-CONTROLLING INTERESTS	13.9	18.1	32.6	29.2
	<u>337.4</u>	<u>(74.2)</u>	<u>661.5</u>	<u>(107.5)</u>

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2010 (in \$ million)**

	The Company		The Company	
	2nd Quarter 2010-11	2nd Quarter 2009-10	1st Half 2010-11	1st Half 2009-10
PROFIT/(LOSS) FOR THE PERIOD	390.8	18.1	525.1	(243.6)
OTHER COMPREHENSIVE INCOME :				
Available-for-sale financial assets	--	0.7	--	1.9
Cash flow hedges	(41.3)	55.1	0.8	272.5
Effect of changes in group structure	--	1,146.3	--	1,146.3
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD	<u>(41.3)</u>	<u>1,202.1</u>	<u>0.8</u>	<u>1,420.7</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>349.5</u>	<u>1,220.2</u>	<u>525.9</u>	<u>1,177.1</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 AT 30 SEPTEMBER 2010 (in \$ million)

	The Group		The Company	
	30-Sep 2010	31-Mar 2010	30-Sep 2010	31-Mar 2010
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	1,812.8	1,750.6	1,812.8	1,750.6
Treasury shares	(0.7)	(0.9)	(0.7)	(0.9)
Capital reserve	75.1	74.8	2.8	2.5
Foreign currency translation reserve	(159.4)	(137.0)	--	--
Share-based compensation reserve	172.4	185.3	137.9	147.9
Fair value reserve	(128.8)	(140.9)	(84.5)	(85.3)
General reserve	12,239.8	11,737.0	12,051.4	11,668.5
	14,011.2	13,468.9	13,919.7	13,483.3
NON-CONTROLLING INTERESTS				
	281.0	280.4	--	--
TOTAL EQUITY	14,292.2	13,749.3	13,919.7	13,483.3
DEFERRED ACCOUNT	405.8	480.7	372.7	443.9
DEFERRED TAXATION	2,241.7	2,296.6	1,887.6	1,945.6
LONG-TERM LIABILITIES AND PROVISIONS	2,240.4	1,438.1	1,884.9	1,033.1
	19,180.1	17,964.7	18,064.9	16,905.9
Represented by:-				
PROPERTY, PLANT AND EQUIPMENT				
Aircraft, spares and spare engines	12,399.7	13,007.4	10,111.2	10,739.5
Land and buildings	282.3	253.6	99.2	105.8
Others	1,862.6	1,802.9	1,651.5	1,520.1
	14,544.6	15,063.9	11,861.9	12,365.4
INTANGIBLE ASSETS	82.9	80.8	47.7	55.0
SUBSIDIARY COMPANIES	--	--	1,810.8	1,805.8
ASSOCIATED COMPANIES	515.0	532.6	1,715.7	1,715.7
JOINT VENTURE COMPANIES	103.0	108.6	--	--
LONG-TERM INVESTMENTS	35.3	35.3	18.8	18.8
OTHER NON-CURRENT ASSETS	115.9	114.4	115.9	114.4
CURRENT ASSETS				
Inventories	423.9	429.5	279.5	309.8
Trade debtors	1,256.3	1,347.8	851.2	958.0
Deposits and other debtors	55.4	66.3	33.4	41.9
Prepayments	98.5	92.6	83.9	82.0
Amounts owing by subsidiary companies	--	--	226.0	141.0
Investments	178.4	140.6	115.9	80.0
Cash and bank balances	6,613.5	4,471.9	6,334.4	4,260.7
	8,626.0	6,548.7	7,924.3	5,873.4
Less: CURRENT LIABILITIES				
Sales in advance of carriage	1,481.5	1,338.0	1,435.1	1,301.9
Deferred revenue	447.9	460.1	447.9	460.1
Current tax payable	297.0	120.8	247.6	96.5
Trade and other creditors	2,524.2	2,498.7	1,917.0	1,876.6
Amounts owing to subsidiary companies	--	--	1,371.9	1,298.0
Amounts owing to associated companies	1.6	2.0	--	--
Finance lease commitments	62.3	64.5	--	--
Loans	0.4	--	--	--
Provisions	27.7	35.5	10.7	9.5
	4,842.6	4,519.6	5,430.2	5,042.6
NET CURRENT ASSETS	3,783.4	2,029.1	2,494.1	830.8
	19,180.1	17,964.7	18,064.9	16,905.9

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 2010		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
\$62.3M	\$0.4M	\$64.5M	NIL

Amount repayable after one year

As at 30 September 2010		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
\$320.4M	\$1,700.0M	\$374.4M	\$900.0M

Details of any collateral

The secured borrowings pertained to finance leases of aircraft (\$382.7 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 2010 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2010-11	2nd Quarter 2009-10	1st Half 2010-11	1st Half 2009-10
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	480.4	(122.1)	797.9	(392.0)
Adjustments for:-				
Depreciation	408.9	439.1	816.1	861.3
Impairment of property, plant and equipment	3.8	1.8	14.6	2.8
Amortisation of intangible assets	6.3	13.3	12.4	28.2
Impairment of trade debtors	(1.6)	0.6	(1.1)	1.1
Income from short-term investments	(0.6)	(0.5)	(1.1)	(1.0)
Share-based compensation expense	6.1	12.5	11.1	28.7
Exchange differences	11.8	(1.2)	16.9	3.7
Amortisation of deferred gain on sale and operating leaseback transactions	(7.8)	(10.8)	(15.9)	(33.6)
Finance charges	17.0	18.1	32.5	38.8
Interest income	(9.8)	(9.8)	(19.5)	(22.3)
Surplus on disposal of aircraft, spares and spare engines	(67.9)	(4.7)	(92.3)	(2.9)
Dividends from long-term investments, gross	(11.8)	(17.3)	(15.9)	(21.2)
Other non-operating items	(18.0)	(7.3)	(21.6)	(24.0)
Share of profits of joint venture companies	(19.7)	(12.6)	(38.7)	(29.0)
Share of profits of associated companies	(24.5)	(25.7)	(46.2)	(48.1)
Operating profit before working capital changes	772.6	273.4	1,449.2	390.5
(Decrease)/Increase in trade and other creditors	(10.3)	38.6	90.6	37.0
Increase in sales in advance of carriage	27.3	79.8	143.5	190.9
(Increase)/Decrease in trade debtors	(4.7)	(226.5)	75.7	(92.0)
Decrease in deposits and other debtors	1.8	58.2	10.9	185.0
(Increase)/Decrease in prepayments	(2.8)	(4.5)	(5.9)	10.4
Decrease in inventories	16.0	14.1	5.6	10.6
(Decrease)/Increase in deferred revenue	(6.1)	3.3	(12.2)	11.2
Decrease in amounts owing by associated companies	--	0.1	--	--
(Decrease)/Increase in amounts owing to associated companies	(0.7)	1.3	(0.4)	4.0
Cash generated from operations	793.1	237.8	1,757.0	747.6
Income taxes refunded/(paid)	5.9	(60.0)	(11.2)	(96.7)
NET CASH PROVIDED BY OPERATING ACTIVITIES	799.0	177.8	1,745.8	650.9

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2010 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2010-11	2nd Quarter 2009-10	1st Half 2010-11	1st Half 2009-10
CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure	(423.8)	(596.1)	(737.0)	(989.8)
Purchase of intangible assets	(1.0)	(2.6)	(14.5)	(7.3)
Proceeds from disposal of aircraft and other property, plant and equipment	380.0	13.2	496.2	69.9
(Purchase)/Disposal of short term investments	(75.8)	50.3	(37.4)	539.3
Proceeds on disposal of associated company	2.1	--	2.1	--
Net cash flow from disposal of a subsidiary company	--	(301.9)	--	(301.9)
Investments in associated companies	--	--	(1.1)	--
Repayment of loans by associated companies	--	0.2	--	0.4
Dividends received from associated and joint venture companies	23.2	17.0	73.9	50.1
Dividends received from investments	12.2	17.6	16.6	21.8
Interest received from investments and deposits	5.3	5.9	9.6	14.9
NET CASH USED IN INVESTING ACTIVITIES	(77.8)	(796.4)	(191.6)	(602.6)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	(143.3)	(236.9)	(143.3)	(236.9)
Dividends paid by subsidiary companies to non-controlling interests	(32.0)	(37.8)	(32.0)	(37.9)
Interest paid	(5.7)	(13.3)	(30.0)	(35.8)
Proceeds from issuance of bonds	800.0	--	800.0	--
Proceeds from borrowings	0.4	1.4	0.4	2.1
Repayment of borrowings	--	(7.3)	--	(25.0)
Repayment of long-term lease liabilities	(20.0)	(20.6)	(31.7)	(33.7)
Proceeds from issuance of share capital by subsidiary companies to non-controlling interests	--	--	--	1.0
Proceeds from exercise of share options	42.8	17.8	61.8	19.8
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	642.2	(296.7)	625.2	(346.4)
NET CASH INFLOW/(OUTFLOW)	1,363.4	(915.3)	2,179.4	(298.1)
CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD	5,282.2	4,437.9	4,471.9	3,838.7
Effect of exchange rate changes	(32.1)	(5.0)	(37.8)	(23.0)
CASH AND CASH EQUIVALENTS AT END PERIOD	6,613.5	3,517.6	6,613.5	3,517.6
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Fixed deposits	5,902.5	3,159.7	5,902.5	3,159.7
Cash and bank	711.0	357.9	711.0	357.9
CASH AND CASH EQUIVALENTS AT END PERIOD	6,613.5	3,517.6	6,613.5	3,517.6

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 2010 (in \$ million)**

The Group	Attributable to Owners of the Parent							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve			
Balance at 1 July 2010	1,767.3	(0.7)	74.8	(137.9)	187.3	(87.2)	11,991.1	13,794.7	299.1	14,093.8
Total comprehensive (expense)/income for the period July to September 2010	--	--	--	(21.5)	(4.6)	(41.6)	391.2	323.5	13.9	337.4
Share-based compensation expense	--	--	--	--	6.1	--	--	6.1	--	6.1
Share options exercised	45.5	--	--	--	(15.6)	--	--	29.9	--	29.9
Share options lapsed	--	--	--	--	(0.8)	--	0.8	--	--	--
Treasury shares reissued pursuant to equity compensation plans	--	--	0.3	--	--	--	--	0.3	--	0.3
Dividends	--	--	--	--	--	--	(143.3)	(143.3)	(32.0)	(175.3)
Balance at 30 September 2010	1,812.8	(0.7)	75.1	(159.4)	172.4	(128.8)	12,239.8	14,011.2	281.0	14,292.2

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

The Group	Attributable to Owners of the Parent							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve			
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 2010 (in \$ million)**

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 July 2010	1,767.3	(0.7)	2.5	149.2	(43.2)	11,803.2	13,678.3
Total comprehensive income for the period July to September 2010	--	--	--	--	(41.3)	390.8	349.5
Share-based compensation expense	--	--	--	5.0	--	--	5.0
Share options exercised	45.5	--	--	(15.6)	--	--	29.9
Share options lapsed	--	--	--	(0.7)	--	0.7	--
Treasury shares reissued pursuant to equity compensation plans	--	--	0.3	--	--	--	0.3
Dividends	--	--	--	--	--	(143.3)	(143.3)
Balance at 30 September 2010	<u>1,812.8</u>	<u>(0.7)</u>	<u>2.8</u>	<u>137.9</u>	<u>(84.5)</u>	<u>12,051.4</u>	<u>13,919.7</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>

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 2010, the Company issued 3,510,527 shares upon exercise of share options and vesting of share awards pursuant to equity compensation plans.

Group and Company	Number of Shares	Share Capital (\$ million)
Issued and fully paid share capital <u>Ordinary Shares</u>		
Balance at 1 July 2010	1,192,859,110	1,767.3
Share options exercised and share awards vested during the period July to September 2010	3,510,527	45.5
Balance at 30 September 2010	1,196,369,637	1,812.8

As at 30 September 2010, the number of ordinary shares in issue was 1,196,369,637 of which 59,984 were held by the Company as treasury shares. The share capital was \$1,812.8 million. (30 September 2009 : 1,186,547,790 ordinary shares of which 1,917,428 were held as treasury shares.)

Employee Share Option Plan

As at 30 September 2010, the number of share options of the Company outstanding was 45,123,323 (30 September 2009 : 60,887,070).

During the period July to September 2010, 2,742,741 options 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 2010 is as follows :

Date of Grant	Balance at 01.07.2010	Cancelled during 01.07.2010 to 30.09.2010	Exercised during 01.07.2010 to 30.09.2010	Balance at 30.09.2010	Exercise price*	Expiry date
03.07.2000	2,956,937	(2,792,737)	(164,200)	-	\$14.44	02.07.2010
02.07.2001	1,821,073	(15,105)	(184,142)	1,621,826	\$9.75	01.07.2011
01.07.2002	2,823,523	(14,535)	(127,750)	2,681,238	\$10.61	30.06.2012
01.07.2003	1,918,722	(16,815)	(133,549)	1,768,358	\$8.13	30.06.2013
01.07.2004	3,326,959	(19,855)	(275,588)	3,031,516	\$8.49	30.06.2014
01.07.2005	6,216,648	(10,925)	(380,991)	5,824,732	\$9.07	30.06.2015
03.07.2006	8,406,011	(11,780)	(593,901)	7,800,330	\$10.39	02.07.2016
02.07.2007	11,373,193	(115,235)	(7,410)	11,250,548	\$16.51	01.07.2017
01.07.2008	12,079,440	(59,455)	(875,210)	11,144,775	\$13.12	30.06.2018
	50,922,506	(3,056,442)	(2,742,741)	45,123,323		

* 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 shares 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 shareholder 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 150% of the initial grant of the restricted shares and between 0% and 200% of the initial grant of the performance shares.

As at 30 September 2010, the number of outstanding shares granted under the Company's RSP was 1,545,161 (30 September 2009: 1,734,240).

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

Date of grant	Number of Restricted Shares					Balance at 30.09.2010
	Balance at 01.07.2010	Granted during 01.07.2010 to 30.09.2010	Adjustment [#]	Cancelled	Vested	
RSP						
27.07.2006	72,309	-	-	-	(72,309)	-
01.08.2007	282,099	-	-	-	(159,952)	122,147
01.07.2008	722,623	-	(211,923)	(12,620)	(279,575)	218,505
29.07.2009	657,209	-	-	-	-	657,209
22.07.2010	-	547,300	-	-	-	547,300
	1,734,240	547,300	(211,923)	(12,620)	(511,836)	1,545,161

[#] Adjustment at the end of two-year performance period upon meeting stated performance targets.

In addition, during the period April to June 2010, the Board Compensation & Industrial Relations Committee approved a special time-based RSP. The details of the shares awarded under the special time-based RSP are as follows :

Date of grant	Number of Restricted Shares				Balance at 30.09.2010
	Balance at 01.07.2010	Granted during 01.07.2010 to 30.09.2010	Cancelled	Vested	
RSP					
01.04.2010	10,000	-	-	-	10,000
07.05.2010	601,500	-	-	-	601,500
	611,500	-	-	-	611,500

As at 30 September 2010, the number of outstanding shares granted under the Company's PSP was 644,664 (30 September 2009: 644,163).

Date of grant	Number of Performance Shares					Balance at 30.09.2010
	Balance at 01.07.2010	Granted during 01.07.2010 to 30.09.2010	Adjustment [#]	Cancelled	Vested	
PSP						
01.08.2007	176,899	-	79,051	-	(255,950)	-
01.07.2008	248,864	-	-	-	-	248,864
29.07.2009	218,400	-	-	-	-	218,400
22.07.2010	-	177,400	-	-	-	177,400
	644,163	177,400	79,051	-	(255,950)	644,664

[#] Adjustment at the end of three-year performance period upon meeting stated performance targets.

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 2010, the number of ordinary shares in issue was 1,196,369,637 of which 59,984 were held by the Company as treasury shares. (30 September 2009 : 1,186,547,790 ordinary shares of which 1,917,428 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 2010, the Company did not purchase any treasury shares (July to September 2009 : NIL).

In addition, the company did not transfer any treasury shares on exercise of share options or vesting of share awards plan (July to September 2009 : 1,432,994 treasury shares were transferred to employees on exercise of share options and another 462,358 were transferred on vesting of share awards plan).

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 2010. 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 2010 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 2010-11	2nd Quarter 2009-10	1st Half 2010-11	1st Half 2009-10
Earnings/(Loss) per share (cents)				
- Basic	31.8	(13.4)	53.0	(39.4)
- Diluted	31.4	(13.4)	52.3	(39.4)

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 10	As at 31 Mar 10	As at 30 Sep 10	As at 31 Mar 10
Net asset value per ordinary share (\$)	11.71	11.30	11.64	11.32

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 2010-11

The Group earned a net profit of \$633 million for the first half of the 2010-11 financial year, a turnaround from the \$466 million loss in the same period a year ago.

Group revenue improved 19% (+\$1,143 million) to \$7,097 million, on the continued recovery in load factors and yields.

Group expenditure at \$6,501 million rose by less than 1% (+\$46 million) year-on-year. Expenditure on fuel was higher by \$423 million as jet fuel prices increased 27% over the same period last year. This was partially offset by a reduction of \$368 million in fuel hedging losses (\$118 million this year versus \$486 million last year).

Consequently, Group operating profit for the April-September period was \$596 million, a turnaround from the \$501 million operating loss last year.

The Parent Airline Company earned an operating profit of \$380 million in the first six months of the financial year, against an operating loss of \$428 million last year. All the main companies in the Group were profitable, with improved operating performances.

SIA Cargo	Operating profit of \$	102 million	(loss of \$193 million in 2009)
SIA Engineering	Operating profit of \$	71 million	(profit of \$47 million in 2009)
SilkAir	Operating profit of \$	36 million	(loss of \$5 million in 2009)

Second Quarter 2010-11

The Group net profit for the July-September quarter was \$380 million, in contrast to the \$159 million loss in the same period the previous year.

Group revenue at \$3,631 million was up 18% (+\$549 million) as load factors and yields continued to improve. Group expenditure was almost unchanged (+\$22 million) as smaller losses on fuel hedging (\$40 million this year versus \$200 million last year) offset increase in expenditure in other areas.

As a result, Group operating profit for the second quarter was \$345 million, against an operating loss of \$182 million in the same three months of last year.

BALANCE SHEET REVIEW **(September 2010 vs March 2010)**

Equity attributable to owners of the parent increased by \$542.3 million or 4.0% to \$14,011.2 million as at 30 September 2010 mainly due to the half year profit (\$632.7 million), partially offset by payment of final dividends in respect of FY2009-10 (\$143.3 million) from the general reserve.

Total Group assets increased by \$1,538.4 million or 6.8% to \$24,022.7 million as at 30 September 2010 primarily due to the increase in cash and bank balances by \$2,141.6 million, arising from operational cash inflows and proceeds from bond issuance. This was partially offset by the decrease in property, plant and equipment of \$519.3 million.

Total Group liabilities rose \$995.5 million or 11.4% to \$9,730.5 million as at 30 September 2010. This was primarily due to the two recent bond issues in July and September 2010 (\$800 million). In addition, sales in advance of carriage increased by \$143.5 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 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 for the coming months indicate that demand is holding up. This should support an increase of 5% in passenger capacity in the second half of the financial year. Yields are expected to be steady.

Forward indicators for air freight point to a levelling off for the rest of the financial year.

Forward prices for jet fuel are high and volatile. There is continuing volatility in the currency markets due to challenges faced by the global economy. Given these uncertainties, the positive outlook for the second half of the financial year has to be tempered with some caution.

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

The interim dividend will be paid on 8 December 2010.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed from 5.00 p.m. on 25 November 2010 for the purpose of determining shareholders' entitlements to the interim dividend and will re-open at 9:00 a.m. on 26 November 2010.

Duly completed and stamped transfers (together with all relevant documents of or evidencing title) 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 25 November 2010 will be registered to determine shareholders' entitlements to the interim dividend. 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 25 November 2010 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 2010-11:

Name of Interested Person	Aggregate value of all IPTs during the financial quarter under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	2nd Quarter 2010-11 (\$)	2nd Quarter 2010-11 (\$)
SATS Ltd. Group		
- Aero Laundry & Linen Services Private Limited	-	2,868,516
- Air India - SATS Joint Venture (50:50)	-	364,590
- Asia Airfreight Terminal Co Ltd	-	3,084,927
- Beijing Airport Inflight Kitchen Limited	-	1,075,998
- Beijing Aviation Ground Services Company Ltd	-	1,690,329
- Maldives Inflight Catering Pte Ltd	-	375,279
- PT Jasa Angkasa Semesta Tbk	-	2,574,699
- SATS Airport Services Pte Ltd	-	7,063,775
- SATS Catering Pte Ltd	-	4,507,878
- SATS HK Limited	-	460,742
- SATS Ltd.	-	97,683,131
- SATS Security Services Private Limited	-	2,788,151
- Taj Madras Flight Kitchen Pvt Limited	-	138,075
- Taj SATS Air Catering Ltd	-	856,911
- Tan Son Nhat Cargo Services Ltd (TCS)	-	240,699
Temasek Holdings (Private) Limited and Associates		
- Great Wall Airlines Company Limited	-	430,038
- MediaCorp Pte Ltd	-	118,590
- PSA Corporation Limited *	215,000	-
Total Interested Person Transactions	215,000	126,322,328

* PSA Corporation Limited subscribed for 2,000,000 Singapore Airlines 2.15 per cent. bonds offered under placement for an aggregate amount of S\$2,000,000 during the Initial Public Offer in September 2010. Pursuant to Rule 909(3) of the SGX Listing Manual, the value of the transaction is the interest payable on the borrowing, S\$215,000 for 5 years.

By Order of the Board

Ethel Tan (Mrs)
Company Secretary
9 November 2010

Singapore Company Registration No.: 197200078R

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 2010 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

9 November 2010

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2010 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2010-11	2nd Quarter 2009-10 Proforma*	1st Half 2010-11	1st Half 2009-10 Proforma*
REVENUE	3,631.2	2,944.4	7,097.0	5,603.7
EXPENDITURE				
Staff costs	563.9	488.2	1,091.0	996.5
Fuel costs	1,092.1	1,141.7	2,223.1	2,168.5
Depreciation	408.9	428.2	816.1	833.0
Impairment of property, plant and equipment	3.8	1.8	14.6	2.8
Amortisation of intangible assets	6.3	8.8	12.4	18.1
Aircraft maintenance and overhaul costs	102.6	85.0	195.1	172.1
Commission and incentives	102.4	76.7	198.9	149.9
Landing, parking and overflying charges	154.8	147.2	302.2	293.6
Handling charges	232.5	219.0	462.0	431.1
Rentals on leased aircraft	145.0	142.2	283.4	289.9
Material costs	57.3	54.9	122.9	108.3
Inflight meals	109.5	110.8	211.3	217.2
Advertising and sales costs	48.6	43.7	96.5	101.6
Insurance expenses	12.8	14.2	28.6	29.4
Company accommodation and utilities	28.0	23.6	54.8	48.5
Other passenger costs	32.1	32.9	70.8	65.7
Crew expenses	32.2	38.5	65.9	79.2
Other operating expenses	152.7	97.1	251.2	174.8
	<u>3,285.5</u>	<u>3,154.5</u>	<u>6,500.8</u>	<u>6,180.2</u>
OPERATING PROFIT/(LOSS)	345.7	(210.1)	596.2	(576.5)
Finance charges	(17.0)	(16.7)	(32.5)	(35.5)
Interest income	9.8	9.8	19.5	22.1
Surplus on disposal of aircraft, spares and spare engines	67.9	4.7	92.3	2.9
Dividends from long-term investments, gross	11.8	17.3	15.9	21.2
Other non-operating items	18.0	7.0	21.6	23.2
Share of profits of joint venture companies	19.7	12.6	38.7	29.0
Share of profits of associated companies	24.5	18.1	46.2	31.4
PROFIT/(LOSS) BEFORE TAXATION	<u>480.4</u>	<u>(157.3)</u>	<u>797.9</u>	<u>(482.2)</u>
TAXATION	<u>(85.5)</u>	<u>(11.4)</u>	<u>(135.1)</u>	<u>(19.6)</u>
PROFIT/(LOSS) FOR THE PERIOD	<u>394.9</u>	<u>(168.7)</u>	<u>662.8</u>	<u>(501.8)</u>
PROFIT/(LOSS) ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	380.2	(181.7)	632.7	(524.4)
NON-CONTROLLING INTERESTS	14.7	13.0	30.1	22.6
	<u>394.9</u>	<u>(168.7)</u>	<u>662.8</u>	<u>(501.8)</u>

* SATS Group was deconsolidated from the Group with effect from 1 September 2009, after completion of the dividend *in specie* distribution. For comparison purposes, a proforma consolidated profit and loss account for half year and second quarter ended 30 September 2009 was prepared to exclude the operations of SATS Group.