



**UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR  
ENDED 30 SEPTEMBER 2012**

**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 2012 (in \$ million)**

	The Group		The Group	
	2 <sup>nd</sup> Quarter 2012-13	2 <sup>nd</sup> Quarter 2011-12	1 <sup>st</sup> Half 2012-13	1 <sup>st</sup> Half 2011-12
<b>REVENUE</b>	3,793.6	3,699.5	7,571.0	7,277.1
<b>EXPENDITURE</b>				
Staff costs	589.1	554.0	1,167.2	1,083.7
Fuel costs	1,474.4	1,413.9	2,975.2	2,851.9
Depreciation	381.5	400.5	765.1	820.7
Impairment of property, plant and equipment	0.4	5.1	0.6	10.8
Amortisation of intangible assets	7.6	6.2	12.5	12.0
Aircraft maintenance and overhaul costs	134.1	109.0	259.2	215.3
Commission and incentives	96.5	80.5	176.2	164.4
Landing, parking and overflying charges	177.2	165.8	345.9	326.2
Handling charges	257.2	250.2	512.2	493.4
Rentals on leased aircraft	137.9	145.6	276.9	282.4
Material costs	55.7	49.0	115.8	103.3
Inflight meals	139.3	122.2	270.8	232.2
Advertising and sales costs	57.3	49.3	101.8	94.1
Insurance expenses	10.8	10.8	22.8	23.6
Company accommodation and utilities	29.1	28.5	57.3	57.1
Other passenger costs	43.0	31.7	81.2	66.8
Crew expenses	38.9	31.1	76.5	64.9
Other operating expenses	93.2	123.2	211.4	240.4
	<b>3,723.2</b>	<b>3,576.6</b>	<b>7,428.6</b>	<b>7,143.2</b>
<b>OPERATING PROFIT</b>	70.4	122.9	142.4	133.9
Finance charges	(10.6)	(22.5)	(21.8)	(43.6)
Interest income	12.7	20.0	24.6	30.7
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(4.2)	21.9	(4.9)	61.8
Dividends from long-term investments	12.7	7.6	16.7	11.1
Other non-operating items	0.3	52.7	3.1	54.0
Share of profits of joint venture companies	22.6	17.0	47.8	33.5
Share of profits of associated companies	12.0	7.8	23.8	22.0
<b>PROFIT BEFORE EXCEPTIONAL ITEMS</b>	115.9	227.4	231.7	303.4
<b>EXCEPTIONAL ITEMS</b>	-	-	-	(1.3)
<b>PROFIT BEFORE TAXATION</b>	115.9	227.4	231.7	302.1
<b>TAXATION</b>	(10.3)	(17.1)	(32.2)	(32.1)
<b>PROFIT FOR THE PERIOD</b>	<b>105.6</b>	<b>210.3</b>	<b>199.5</b>	<b>270.0</b>
<b>PROFIT ATTRIBUTABLE TO:</b>				
<b>OWNERS OF THE PARENT</b>	90.1	194.2	168.1	238.9
<b>NON-CONTROLLING INTERESTS</b>	15.5	16.1	31.4	31.1
	<b>105.6</b>	<b>210.3</b>	<b>199.5</b>	<b>270.0</b>
<b>BASIC EARNINGS PER SHARE (CENTS)</b>	7.7	16.2	14.3	20.0
<b>DILUTED EARNINGS PER SHARE (CENTS)</b>	7.6	16.1	14.2	19.7

**Notes:**

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

	The Group		The Group	
	2 <sup>nd</sup> Quarter 2012-13	2 <sup>nd</sup> Quarter 2011-12	1 <sup>st</sup> Half 2012-13	1 <sup>st</sup> Half 2011-12
Interest income from short-term investments	(0.1)	(0.2)	(0.3)	(0.4)
Dividend income from short-term investments	(0.3)	(0.3)	(0.8)	(0.7)
Income from operating lease of aircraft	(24.3)	(28.7)	(52.9)	(58.1)
Amortisation of deferred loss/(gain) on sale and operating leaseback transactions	0.7	(6.2)	1.4	(12.7)
Loss/(Surplus) on disposal of short-term investments	1.0	0.7	2.0	(0.1)
Bad debts written off	0.2	0.2	0.4	0.7
Writeback of impairment of trade debtors	(0.3)	(0.7)	(6.4)	(2.2)
Writedown on inventories	6.2	5.0	13.4	9.2
Exchange loss, net	16.7	10.5	47.4	24.0
Currency hedging (gain)/loss	(5.7)	3.9	(12.2)	38.1
Fuel hedging (gain)/loss recognised in "Fuel costs"	(17.3)	11.9	10.9	(0.1)
Over provision of tax in respect of prior years	(11.8)	(1.3)	(12.2)	(1.3)

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

	The Group		The Group	
	2 <sup>nd</sup> Quarter 2012-13	2 <sup>nd</sup> Quarter 2011-12	1 <sup>st</sup> Half 2012-13	1 <sup>st</sup> Half 2011-12
Recognition of liquidated damages	0.3	-	0.3	-
(Loss)/Surplus on disposal of other property, plant and equipment	-	(0.3)	0.1	1.0
Dividends from an associated company	-	4.9	2.7	4.9
Return of capital by an associated company	-	48.1	-	48.1
	<u>0.3</u>	<u>52.7</u>	<u>3.1</u>	<u>54.0</u>

(iii) Exceptional items comprise the following:

During the period April-September 2011, the Company and SIA Cargo accepted a settlement offer from the plaintiffs in the Canadian air cargo class actions to resolve all such actions on an agreed basis for an amount of CDN1.05 million (\$1.3 million). The settlement is without admission of any wrongdoing or liability and is subject to court approval.

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2012 (in \$ million)**

	The Group		The Group	
	2 <sup>nd</sup> Quarter 2012-13	2 <sup>nd</sup> Quarter 2011-12	1 <sup>st</sup> Half 2012-13	1 <sup>st</sup> Half 2011-12
<b>PROFIT FOR THE PERIOD</b>	105.6	210.3	199.5	270.0
<b>OTHER COMPREHENSIVE INCOME:</b>				
Currency translation differences	(17.5)	27.1	(12.5)	15.5
Available-for-sale financial assets	5.3	(8.7)	3.9	(10.7)
Cash flow hedges	277.9	45.3	57.3	24.6
Share of comprehensive income of associated companies	2.9	1.4	0.6	(0.2)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<u>268.6</u>	<u>65.1</u>	<u>49.3</u>	<u>29.2</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u>374.2</u></u>	<u><u>275.4</u></u>	<u><u>248.8</u></u>	<u><u>299.2</u></u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
<b>OWNERS OF THE PARENT</b>	362.4	253.5	219.8	265.0
<b>NON-CONTROLLING INTERESTS</b>	<u>11.8</u>	<u>21.9</u>	<u>29.0</u>	<u>34.2</u>
	<u><u>374.2</u></u>	<u><u>275.4</u></u>	<u><u>248.8</u></u>	<u><u>299.2</u></u>

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2012 (in \$ million)**

	The Company		The Company	
	2 <sup>nd</sup> Quarter 2012-13	2 <sup>nd</sup> Quarter 2011-12	1 <sup>st</sup> Half 2012-13	1 <sup>st</sup> Half 2011-12
<b>PROFIT FOR THE PERIOD</b>	238.0	289.1	308.3	269.0
<b>OTHER COMPREHENSIVE INCOME:</b>				
Available-for-sale financial assets	3.2	(3.8)	3.5	(5.0)
Cash flow hedges	220.7	57.6	41.4	40.4
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<u>223.9</u>	<u>53.8</u>	<u>44.9</u>	<u>35.4</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u>461.9</u></u>	<u><u>342.9</u></u>	<u><u>353.2</u></u>	<u><u>304.4</u></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 2012 (in \$ million)**

	The Group		The Company	
	30-Sep 2012	31-Mar 2012	30-Sep 2012	31-Mar 2012
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				
Share capital	1,856.1	1,856.1	1,856.1	1,856.1
Treasury shares	(274.6)	(258.4)	(274.6)	(258.4)
Other reserves	11,392.3	11,295.7	11,476.1	11,249.2
	12,973.8	12,893.4	13,057.6	12,846.9
<b>NON-CONTROLLING INTERESTS</b>	289.3	294.0	-	-
<b>TOTAL EQUITY</b>	13,263.1	13,187.4	13,057.6	12,846.9
<b>DEFERRED ACCOUNT</b>	152.6	224.4	130.9	199.9
<b>DEFERRED TAXATION</b>	1,985.4	2,029.1	1,665.7	1,694.8
<b>LONG-TERM LIABILITIES</b>	979.2	1,018.5	806.8	807.9
<b>PROVISIONS</b>	370.6	318.6	323.6	259.1
	<u>16,750.9</u>	<u>16,778.0</u>	<u>15,984.6</u>	<u>15,808.6</u>
Represented by:-				
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Aircraft, spares and spare engines	11,743.5	11,383.5	9,515.8	9,223.9
Land and buildings	249.7	252.0	73.7	79.4
Others	1,456.0	1,745.9	1,266.8	1,525.0
	13,449.2	13,381.4	10,856.3	10,828.3
<b>INTANGIBLE ASSETS</b>	195.3	158.3	137.2	111.2
<b>SUBSIDIARY COMPANIES</b>	-	-	2,038.8	2,038.8
<b>ASSOCIATED COMPANIES</b>	529.1	543.2	1,701.1	1,701.1
<b>JOINT VENTURE COMPANIES</b>	113.4	113.2	-	-
<b>LONG-TERM INVESTMENTS</b>	426.5	373.7	346.5	293.7
<b>OTHER RECEIVABLES</b>	204.1	215.6	204.1	215.6
<b>DEFERRED ACCOUNT</b>	48.8	51.7	31.7	33.7
<b>CURRENT ASSETS</b>				
Inventories	294.0	306.1	208.3	221.7
Trade debtors	1,460.2	1,354.8	960.0	870.2
Deposits and other debtors	49.6	46.8	23.0	26.7
Prepayments	102.9	98.5	72.8	74.8
Amounts owing by subsidiary companies	-	-	185.3	195.2
Investments	387.0	625.1	333.8	565.2
Derivative assets	135.3	71.9	133.3	57.4
Cash and bank balances	4,774.2	4,702.7	4,530.2	4,450.7
	<u>7,203.2</u>	<u>7,205.9</u>	<u>6,446.7</u>	<u>6,461.9</u>
Less: <b>CURRENT LIABILITIES</b>				
Sales in advance of carriage	1,504.6	1,456.8	1,418.5	1,409.5
Deferred revenue	512.7	497.0	512.7	497.0
Current tax payable	162.6	244.4	115.4	186.0
Trade and other creditors	3,079.7	2,885.4	2,403.1	2,210.2
Amounts owing to subsidiary companies	-	-	1,296.0	1,525.2
Finance lease commitments	65.0	64.8	-	-
Loans	3.1	2.4	-	-
Provisions	17.9	35.3	17.7	35.1
Derivative liabilities	73.1	78.9	14.4	12.7
	<u>5,418.7</u>	<u>5,265.0</u>	<u>5,777.8</u>	<u>5,875.7</u>
<b>NET CURRENT ASSETS</b>	<u>1,784.5</u>	<u>1,940.9</u>	<u>668.9</u>	<u>586.2</u>
	<u>16,750.9</u>	<u>16,778.0</u>	<u>15,984.6</u>	<u>15,808.6</u>

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

Amount repayable in one year or less, or on demand

As at 30 September 2012		As at 31 March 2012	
Secured	Unsecured	Secured	Unsecured
\$65.0M	\$3.1M	\$64.8M	\$2.4M

Amount repayable after one year

As at 30 September 2012		As at 31 March 2012	
Secured	Unsecured	Secured	Unsecured
\$172.4M	\$800.0M	\$210.6M	\$800.0M

Details of any collateral

The secured borrowings pertained to finance leases of aircraft (\$237.4 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 2012 (in \$ million)**

	The Group		The Group	
	2 <sup>nd</sup> Quarter 2012-13	2 <sup>nd</sup> Quarter 2011-12	1 <sup>st</sup> Half 2012-13	1 <sup>st</sup> Half 2011-12
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before taxation	115.9	227.4	231.7	302.1
Adjustments for:-				
Depreciation	381.5	400.5	765.1	820.7
Impairment of property, plant and equipment	0.4	5.1	0.6	10.8
Amortisation of intangible assets	7.6	6.2	12.5	12.0
Writeback of impairment of trade debtors	(0.3)	(0.7)	(6.4)	(2.2)
Income from short-term investments	(0.4)	(0.5)	(1.1)	(1.1)
Share-based compensation expense	(2.5)	5.8	1.7	9.2
Exchange differences	10.9	(10.9)	15.7	(10.8)
Amortisation of deferred loss/(gain) on sale and operating leaseback transactions	0.7	(6.2)	1.4	(12.7)
Finance charges	10.6	22.5	21.8	43.6
Interest income	(12.7)	(20.0)	(24.6)	(30.7)
Loss/(Surplus) on disposal of aircraft, spares and spare engines	4.2	(21.9)	4.9	(61.8)
Dividends from long-term investments	(12.7)	(7.6)	(16.7)	(11.1)
Other non-operating items	(0.3)	(52.7)	(3.1)	(54.0)
Share of profits of joint venture companies	(22.6)	(17.0)	(47.8)	(33.5)
Share of profits of associated companies	(12.0)	(7.8)	(23.8)	(22.0)
Exceptional items	-	-	-	1.3
Operating profit before working capital changes	468.3	522.2	931.9	959.8
Increase/(Decrease) in trade and other creditors	137.1	(75.1)	233.1	45.6
(Decrease)/Increase in sales in advance of carriage	(15.1)	(56.3)	47.8	(83.0)
(Increase)/Decrease in trade debtors	(103.8)	(49.8)	(129.1)	0.9
Decrease/(Increase) in deposits and other debtors	5.0	0.7	(2.8)	5.9
(Increase)/Decrease in prepayments	(2.0)	14.9	(4.4)	(7.7)
Decrease/(Increase) in inventories	2.8	5.2	12.1	(14.7)
Increase in deferred revenue	12.7	14.8	15.7	29.0
Decrease in amounts owing by associated companies	-	0.1	-	-
Cash generated from operations	505.0	376.7	1,104.3	935.8
Payment of cargo fines	-	(1.3)	-	(1.3)
Income taxes paid	(123.3)	(146.3)	(165.9)	(236.3)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>381.7</b>	<b>229.1</b>	<b>938.4</b>	<b>698.2</b>

	The Group		The Group	
	2 <sup>nd</sup> Quarter 2012-13	2 <sup>nd</sup> Quarter 2011-12	1 <sup>st</sup> Half 2012-13	1 <sup>st</sup> Half 2011-12
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure	(555.3)	(585.5)	(943.1)	(974.8)
Purchase of intangible assets	(9.2)	(10.3)	(50.8)	(31.1)
Proceeds from disposal of aircraft and other property, plant and equipment	21.8	317.8	77.7	473.4
Purchase of long-term investments	(31.4)	(59.8)	(62.4)	(204.4)
Disposal of short-term investments	85.8	22.8	251.6	19.7
Investments in associated companies	-	-	-	(2.7)
Dividends received from associated and joint venture companies	35.6	35.5	74.2	67.8
Return of capital by an associated company	-	48.1	-	48.1
Dividends received from investments	13.0	7.9	17.5	11.8
Interest received from investments and deposits	8.5	17.9	17.4	26.6
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(431.2)</b>	<b>(205.6)</b>	<b>(617.9)</b>	<b>(565.6)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividends paid	(117.5)	(1,439.0)	(117.5)	(1,439.0)
Dividends paid by subsidiary companies to non-controlling interests	(37.4)	(59.0)	(39.5)	(59.0)
Interest paid	(14.9)	(19.8)	(21.4)	(44.8)
Proceeds from borrowings	0.9	0.6	0.9	0.6
Repayment of borrowings	(0.1)	(0.4)	(0.3)	(0.4)
Repayment of long-term lease liabilities	(20.4)	(19.2)	(31.9)	(30.2)
Proceeds from exercise of share options	5.3	22.2	19.9	58.0
Purchase of treasury shares	-	(142.0)	(37.7)	(151.0)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(184.1)</b>	<b>(1,656.6)</b>	<b>(227.5)</b>	<b>(1,665.8)</b>
<b>NET CASH (OUTFLOW)/INFLOW</b>	<b>(233.6)</b>	<b>(1,633.1)</b>	<b>93.0</b>	<b>(1,533.2)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>5,027.8</b>	<b>7,528.2</b>	<b>4,702.7</b>	<b>7,434.2</b>
Effect of exchange rate changes	(20.0)	69.6	(21.5)	63.7
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>4,774.2</b>	<b>5,964.7</b>	<b>4,774.2</b>	<b>5,964.7</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Fixed deposits	4,292.7	5,629.5	4,292.7	5,629.5
Cash and bank	481.5	335.2	481.5	335.2
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>4,774.2</b>	<b>5,964.7</b>	<b>4,774.2</b>	<b>5,964.7</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 2012 (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 2012	1,856.1	(284.3)	98.0	(182.6)	168.7	(272.0)	11,345.4	12,729.3	311.7	13,041.0
<u>Comprehensive Income</u>										
Currency translation differences	-	-	-	(13.4)	-	-	-	(13.4)	(4.1)	(17.5)
Net fair value changes on available-for-sale assets	-	-	-	-	-	5.3	-	5.3	-	5.3
Net fair value changes on cash flow hedges	-	-	-	-	-	277.9	-	277.9	-	277.9
Share of other comprehensive income of associated companies	-	-	-	-	(0.1)	3.7	(1.1)	2.5	0.4	2.9
Other comprehensive income for the period	-	-	-	(13.4)	(0.1)	286.9	(1.1)	272.3	(3.7)	268.6
Profit for the period	-	-	-	-	-	-	90.1	90.1	15.5	105.6
Total comprehensive income for the period, net of tax	-	-	-	(13.4)	(0.1)	286.9	89.0	362.4	11.8	374.2
<u>Transactions with owners, recorded directly in equity</u>										
Surplus on dilution of interest in subsidiary companies due to share options exercised	-	-	-	-	(2.9)	-	3.2	0.3	3.2	3.5
Share-based compensation expense	-	-	-	-	(2.5)	-	-	(2.5)	-	(2.5)
Share options lapsed	-	-	-	-	(1.3)	-	1.3	-	-	-
Treasury shares reissued pursuant to equity compensation plans	-	9.7	-	-	(7.9)	-	-	1.8	-	1.8
Dividends	-	-	-	-	-	-	(117.5)	(117.5)	(37.4)	(154.9)
Total transactions with owners	-	9.7	-	-	(14.6)	-	(113.0)	(117.9)	(34.2)	(152.1)
Balance at 30 September 2012	1,856.1	(274.6)	98.0	(196.0)	154.0	14.9	11,321.4	12,973.8	289.3	13,263.1



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011 (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 2011	1,836.0	(14.9)	85.3	(195.0)	170.0	(162.5)	12,524.1	14,243.0	313.8	14,556.8
<u>Comprehensive Income</u>										
Currency translation differences	-	-	-	21.3	-	-	-	21.3	5.8	27.1
Net fair value changes on available-for-sale assets	-	-	-	-	-	(8.7)	-	(8.7)	-	(8.7)
Net fair value changes on cash flow hedges	-	-	-	-	-	45.3	-	45.3	-	45.3
Share of other comprehensive income of associated companies	-	-	-	-	(0.2)	1.6	-	1.4	-	1.4
Other comprehensive income for the period	-	-	-	21.3	(0.2)	38.2	-	59.3	5.8	65.1
Profit for the period	-	-	-	-	-	-	194.2	194.2	16.1	210.3
Total comprehensive income for the period, net of tax	-	-	-	21.3	(0.2)	38.2	194.2	253.5	21.9	275.4
<u>Transactions with owners recorded directly in equity</u>										
Surplus on dilution of interest in subsidiary companies due to share options exercised	-	-	-	-	(3.2)	-	6.2	3.0	2.0	5.0
Share-based compensation expense	-	-	-	-	5.8	-	-	5.8	-	5.8
Share options exercised	20.1	-	-	-	(3.5)	-	-	16.6	-	16.6
Share options lapsed	-	-	-	-	(0.5)	-	0.5	-	-	-
Purchase of treasury shares	-	(142.0)	-	-	-	-	-	(142.0)	-	(142.0)
Treasury shares reissued pursuant to equity compensation plans	-	12.8	(3.9)	-	(8.3)	-	-	0.6	-	0.6
Dividends	-	-	-	-	-	-	(1,439.0)	(1,439.0)	(59.0)	(1,498.0)
Total transactions with owners	20.1	(129.2)	(3.9)	-	(9.7)	-	(1,432.3)	(1,555.0)	(57.0)	(1,612.0)
Balance at 30 September 2011	1,856.1	(144.1)	81.4	(173.7)	160.1	(124.3)	11,286.0	12,941.5	278.7	13,220.2

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012 (in \$ million)**

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 July 2012	1,856.1	(284.3)	(9.2)	136.3	(188.8)	11,204.0	12,714.1
<u>Comprehensive income</u>							
Net fair value changes on available-for-sale assets	-	-	-	-	3.2	-	3.2
Net fair value changes on cash flow hedges	-	-	-	-	220.7	-	220.7
Other comprehensive income for the period	-	-	-	-	223.9	-	223.9
Profit for the period	-	-	-	-	-	238.0	238.0
Total comprehensive income for the period, net of tax	-	-	-	-	223.9	238.0	461.9
<u>Transactions with owners, recorded directly in equity</u>							
Share-based compensation expense	-	-	-	(2.7)	-	-	(2.7)
Share options lapsed	-	-	-	(1.1)	-	1.1	-
Treasury shares reissued pursuant to equity compensation plans	-	9.7	-	(7.9)	-	-	1.8
Dividends	-	-	-	-	-	(117.5)	(117.5)
Total transactions with owners	-	9.7	-	(11.7)	-	(116.4)	(118.4)
Balance at 30 September 2012	1,856.1	(274.6)	(9.2)	124.6	35.1	11,325.6	13,057.6

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011 (in \$ million)**

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 July 2011	1,836.0	(14.9)	(4.0)	136.2	(112.6)	12,279.1	14,119.8
<u>Comprehensive income</u>							
Net fair value changes on available-for-sale assets	-	-	-	-	(3.8)	-	(3.8)
Net fair value changes on cash flow hedges	-	-	-	-	57.6	-	57.6
Other comprehensive income for the period	-	-	-	-	53.8	-	53.8
Profit for the period	-	-	-	-	-	289.1	289.1
Total comprehensive income for the period, net of tax	-	-	-	-	53.8	289.1	342.9
<u>Transactions with owners, recorded directly in equity</u>							
Share-based compensation expense	-	-	-	4.9	-	-	4.9
Share options exercised	20.1	-	-	(3.5)	-	-	16.6
Share options lapsed	-	-	-	(0.4)	-	0.4	-
Purchase of treasury shares	-	(142.0)	-	-	-	-	(142.0)
Treasury shares reissued pursuant to equity compensation plans	-	12.8	(3.9)	(8.3)	-	-	0.6
Dividends	-	-	-	-	-	(1,439.0)	(1,439.0)
Total transactions with owners	20.1	(129.2)	(3.9)	(7.3)	-	(1,438.6)	(1,558.9)
Balance at 30 September 2011	1,856.1	(144.1)	(7.9)	128.9	(58.8)	11,129.6	12,903.8

**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**

#### Share Capital

During the period July to September 2012, the Company did not issue any shares upon exercise of options pursuant to share options exercised under the Employee Share Option Plan.

Group and Company	Number of Shares	Share Capital (\$ million)
Issued and fully paid share capital <u>Ordinary Shares</u>		
Balance at 1 July 2012	1,199,851,018	1,856.1
Share options exercised during the period July to September 2012	-	-
Balance at 30 September 2012	1,199,851,018	1,856.1

As at 30 September 2012, the number of ordinary shares in issue was 1,199,851,018 of which 24,791,797 were held by the Company as treasury shares. The share capital was \$1,856.1 million. (30 September 2011: 1,199,851,018 ordinary shares of which 12,645,390 were held as treasury shares.)

#### Employee Share Option Plan

As at 30 September 2012, the number of share options of the Company outstanding was 34,613,925 (30 September 2011: 37,986,025). During the period July to September 2012, 208,602 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 2012 is as follows:

Date of Grant	Balance at 01.07.2012	Cancelled	Exercised	Balance at 30.09.2012	Exercise price*	Expiry date
01.07.2003	1,212,233	(1,900)	(25,712)	1,184,621	\$7.33	30.06.2013
01.07.2004	2,360,438	(12,113)	(35,578)	2,312,747	\$7.69	30.06.2014
01.07.2005	4,494,233	(33,060)	(67,910)	4,393,263	\$8.27	30.06.2015
03.07.2006	6,300,275	(50,303)	(79,402)	6,170,570	\$9.59	02.07.2016
02.07.2007	10,930,375	(173,660)	-	10,756,715	\$15.71	01.07.2017
01.07.2008	9,837,619	(41,610)	-	9,796,009	\$12.32	30.06.2018
	35,135,173	(312,646)	(208,602)	34,613,925		

\* 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 Committee approved another reduction of \$0.80 in the exercise prices of the share options outstanding on 18 August 2011, following approval by the Company's shareholders of the declaration of a special dividend of \$0.80 per share on 29 July 2011. 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 2012, the number of outstanding shares granted under the Company's RSP and PSP were 1,468,167 (30 September 2011: 1,463,457) and 499,802 respectively (30 September 2011: 523,811).

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

Date of Grant	Number of Restricted Shares					
	Balance at 01.07.2012	Granted	Adjustment <sup>#</sup>	Cancelled	Vested	Balance at 30.09.2012
<b>RSP</b>						
01.07.2008	91,553	-	-	-	(91,553)	-
29.07.2009	222,401	-	-	(2,017)	(115,252)	105,132
22.07.2010	547,027	-	(59,807)	(2,720)	(265,110)	219,390
01.07.2011	573,268	-	-	(13,726)	-	559,542
10.07.2012	-	584,103	-	-	-	584,103
	1,434,249	584,103	(59,807)	(18,463)	(471,915)	1,468,167

<sup>#</sup> Adjustment at the end of two-year performance period upon meeting stated performance targets and adjustments for number of days in service for retirees.

Date of Grant	Number of Performance Shares					
	Balance at 01.07.2012	Granted	Adjustment <sup>#</sup>	Cancelled	Vested	Balance at 30.09.2012
<b>PSP</b>						
29.07.2009	205,222	-	(15,342)	-	(189,880)	-
22.07.2010	164,590	-	-	-	-	164,590
01.07.2011	153,999	-	-	-	-	153,999
10.07.2012	-	181,213	-	-	-	181,213
	523,811	181,213	(15,342)	-	(189,880)	499,802

<sup>#</sup> Adjustment at the end of three-year performance period upon meeting stated performance targets and adjustment for number of days in service for retirees.

In addition, the Board Compensation & Industrial Relations Committee approved a special time-based RSP in FY2010-11. The details of the shares awarded under the special time-based RSP are as follows:

Date of Grant	Number of Time-based Restricted Shares			
	Balance at 01.07.2012	Granted	Vested	Balance at 30.09.2012
<b>RSP</b>				
07.05.2010	444,846	-	(5,295)	439,551

**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 2012, the number of ordinary shares in issue was 1,199,851,018 of which 24,791,797 were held by the Company as treasury shares (30 September 2011: 1,199,851,018 ordinary shares of which 12,645,390 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 July to September 2012, the Company did not purchase any treasury shares (July to September 2011: 12,508,000).

The Company transferred 208,602 treasury shares to employees on exercise of share options and another 667,090 on vesting of share-based incentive plans (July to September 2011: 77,765 on exercise of share options and 848,007 treasury shares on vesting of share-based incentive plans). Treasury shares are presented as a component within equity attributable to owners of the parent.

Group and Company	Number of Shares	Treasury Shares (\$ million)
Balance at 1 July 2012	25,667,489	(284.3)
Treasury shares transferred on exercise of share options	(208,602)	2.3
Treasury shares transferred on vesting of share-based incentive plans	(667,090)	7.4
Balance at 30 September 2012	24,791,797	(274.6)

**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 2012. 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 2012 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			
	2 <sup>nd</sup> Quarter 2012-13	2 <sup>nd</sup> Quarter 2011-12	1 <sup>st</sup> Half 2012-13	1 <sup>st</sup> Half 2011-12
Earnings per share (cents)				
- Basic	7.7	16.2	14.3	20.0
- Diluted	7.6	16.1	14.2	19.7

**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 12	As at 31 Mar 12	As at 30 Sep 12	As at 31 Mar 12
Net asset value per ordinary share (\$)	11.04	10.96	11.11	10.92

**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 2012-13

The SIA Group registered a net profit of \$168 million in the first half of the 2012-13 financial year, a decline of \$71 million (-30%) over the same period last year. This was mainly attributable to lower non-operating items as the Parent Airline Company last year benefited from a higher surplus on the disposal of aircraft and spare engines.

Group operating profit increased \$8 million (+6%) year-on-year to \$142 million. This was contributed by the improvement from the first quarter (+\$61 million), albeit off a low base following the Japanese earthquake in the corresponding quarter last year. However, the \$61 million increase was partially offset by a weaker second quarter (-\$53 million), with the widening of losses from SIA Cargo as the air freight market remained soft.

Group revenue grew \$294 million (+4%) to \$7,571 million, on the back of 8.0% growth in passenger carriage, partially set off by a 3.4% decline in yields. Group expenditure rose by \$286 million (+4%) to \$7,429 million, principally on account of higher fuel cost (+\$112 million, or +4%), arising from higher fuel volume uplift as capacity grew 5.1%. Other variable costs also increased in line with the capacity growth.

The operating results of the main companies in the Group for the first half of the financial year are as follows:

- Parent Airline Company      Operating profit of \$169 million (\$53 million profit in 2011)
- SIA Engineering              Operating profit of \$66 million (\$69 million profit in 2011)
- SilkAir                          Operating profit of \$37 million (\$34 million profit in 2011)
- SIA Cargo                        Operating loss of \$99 million (\$31 million loss in 2011)

### Second Quarter 2012-13

The Group net profit attributable to equity holders for the July-September quarter was \$90 million (54% lower than the same period in the previous year).

Group expenditure was up 4% (+\$147 million) on the back of higher fuel volume uplifted. Revenue growth, however, lagged at a rate of 3% (+\$94 million) as both passenger and cargo yields fell.

Consequently, Group operating profit fell \$53 million (-43%) to \$70 million.

### **BALANCE SHEET REVIEW** **(September 2012 vs March 2012)**

Equity attributable to owners of the parent increased by \$80 million or 0.6% to \$12,974 million as at 30 September 2012 due mainly to profit for the first half of the financial year (+\$168 million) and a reversal of fair value losses (+\$62 million), primarily arising from outstanding fuel hedges as jet fuel prices increased. This was partially offset by the payment of final dividends in respect of FY2011-12 (-\$118 million).

Total Group assets rose \$127 million (+0.5%) to \$22,170 million with total current assets remaining flat. The increase in total Group assets was primarily from property, plant and equipment of \$68 million with the acquisition of aircraft, net of depreciation charges. In addition, the purchase of liquid investment grade corporate bonds increased the holdings of long-term investments by \$53 million or 14% to \$427 million as at 30 September 2012.

Total Group liabilities increased by \$51 million or 0.6% to \$8,907 million as at 30 September 2012. This was mainly on account of an increase in trade and other creditors (+\$194 million), partially offset by lower current tax payable (-\$82 million) and deferred taxation (-\$44 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**

The continuing European economic crisis is dampening global business confidence, exerting downward pressure on loads and yields of both passenger and cargo businesses. These challenging market conditions are exacerbated by high and volatile jet fuel prices.

Despite the challenging environment, the Group's strong balance sheet has enabled continued investment in new aircraft and in the upgrading of products and services.

The Group remains vigilant in ensuring efficient deployment of its fleet in response to changes in demand patterns. A strict cost management regime is also in place to mitigate cost pressures.

## **SUBSEQUENT EVENTS**

On 24 October 2012, the Company entered into an agreement to order five Airbus A380-800 and 20 A350-900 aircraft for additional capacity growth and fleet renewal. The firm order commitments are valued at USD7.5 billion and deliveries are due to begin in 2017. In addition, Airbus has agreed to acquire from the Company the five A340-500s, which will be removed from service in the fourth quarter of the 2013 calendar year.

On 30 October 2012, the Company entered into a subscription agreement to subscribe for 245,577,511 ordinary shares in the capital of Virgin Australia Holdings Limited ("Virgin Australia"), representing 10% of the enlarged issued share capital of Virgin Australia. The subscription price is AUD0.4288 per subscription share for a total consideration of AUD105.3 million (\$134.8 million). The approval from Australian Foreign Investment Review Board has been obtained for the share purchase, which is expected to be completed on 16 November 2012.

### **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 Amount per Share	6 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 Amount per Share	10 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

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

The interim dividend will be paid on 26 November 2012.

#### **(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 15 November 2012 for the purpose of determining shareholders' entitlements to the interim dividend of 6 cents per share and will re-open at 9:00 a.m. on 19 November 2012.

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 15 November 2012 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 15 November 2012 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**

The aggregate values of all Interested Person Transactions ("IPTs") entered into during the second quarter of the Financial Year 2012-13 are as follows:

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)
	2 <sup>nd</sup> Quarter 2012-13 (\$)	2 <sup>nd</sup> Quarter 2012-13 (\$)
<b>SATS Ltd. Group</b> - Aero Laundry & Linen Services Private Limited - Air India SATS Airport Services Private Limited - Asia Airfreight Terminal Co Ltd - Beijing Airport Inflight Kitchen Ltd - Beijing Aviation Ground Services Co Ltd - Maldives Inflight Catering Private Limited - PT Jasa Angkasa Semesta Tbk - SATS HK Limited - SATS Ltd - SATS Security Services Private Limited - Taj Madras Flight Kitchen Pvt Limited - Taj SATS Air Catering Ltd	- - - - - - - - - - - -	3,564,396 1,254,537 2,539,675 1,154,092 1,735,102 625,171 2,402,012 1,138,063 166,556,481 5,424,277 123,788 1,311,010
<b>SembCorp Industries Limited Group</b> - SembCorp Power Pte Ltd	-	1,126,365
<b>Singapore Telecommunications Limited Group</b> - Singapore Telecommunications Limited	-	444,435
<b>Temasek Holdings (Private) Limited and Associates</b> - MediaCorp Pte Ltd - PT Certis	- -	245,626 250,947
<b>Total Interested Person Transactions</b>	-	189,895,977

By Order of the Board

Ethel Tan (Mrs)  
Company Secretary  
2 November 2012

**CONFIRMATION BY THE BOARD**

We, Stephen Lee Ching Yen and Goh Choon Phong, 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 2012 financial results to be false or misleading in any material respect.

On behalf of the Board,



STEPHEN LEE CHING YEN  
Chairman



GOH CHOON PHONG  
Chief Executive Officer

2 November 2012