



UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2005

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 THIRD QUARTER AND 9 MONTHS ENDED 31 DECEMBER 2005 (IN \$ MILLION)

	The Group		The Group	
	3rd Quarter 2005-06	3rd Quarter 2004-05 (Restated)	9 Months 2005-06	9 Months 2004-05 (Restated)
REVENUE	3,557.0	3,201.9	9,951.7	8,980.7
EXPENDITURE				
Staff costs	612.3	623.3	1,811.3	1,820.5
Fuel costs	1,183.4	792.9	3,122.2	1,990.6
Depreciation	327.7	307.2	949.0	916.2
Aircraft maintenance and overhaul costs	78.6	146.4	245.5	464.1
Landing, parking and overflying charges	163.6	161.2	493.8	473.4
Handling charges	152.5	146.6	452.7	430.9
Commission and incentives	114.1	114.8	341.3	339.4
Rentals on leased aircraft	93.1	92.2	255.0	255.3
Material costs	82.3	73.5	238.7	229.9
Inflight meals	67.1	64.8	190.4	186.8
Advertising and sales costs	52.6	55.6	171.4	183.3
Company accommodation and utilities	45.7	40.7	122.9	117.4
Insurance expenses	28.5	32.0	89.1	98.1
Other passenger costs	30.5	31.7	88.0	88.0
Crew expenses	30.4	27.9	86.8	81.0
Other operating expenses	119.9	78.8	335.2	270.7
	<u>3,182.3</u>	<u>2,789.6</u>	<u>8,993.3</u>	<u>7,945.6</u>
OPERATING PROFIT	374.7	412.3	958.4	1,035.1
Finance charges	(25.4)	(20.3)	(74.1)	(54.6)
Interest income	25.5	15.8	68.4	33.6
Surplus on disposal of aircraft, spares and spare engines	70.5	122.4	99.9	199.9
Surplus on disposal of other fixed assets	0.6	0.7	4.7	6.2
Dividends from long-term investments, gross	11.1	3.1	24.6	5.6
Provision for impairment of long-term investments	--	(0.2)	(0.6)	(0.6)
Amortisation of goodwill on consolidation	--	(0.1)	--	(0.1)
Amortisation of deferred gain	0.3	0.3	1.0	1.0
Share of profits of joint venture companies	10.9	1.8	30.6	6.9
Share of profits of associated companies	70.5	16.9	196.4	117.3
	<u>538.7</u>	<u>552.7</u>	<u>1,309.3</u>	<u>1,350.3</u>
PROFIT BEFORE EXCEPTIONAL ITEMS				
Exceptional items	--	45.7	--	17.0
	<u>538.7</u>	<u>598.4</u>	<u>1,309.3</u>	<u>1,367.3</u>
PROFIT BEFORE TAXATION				
Taxation	(125.4)	(120.6)	(283.8)	(264.3)
	<u>413.3</u>	<u>477.8</u>	<u>1,025.5</u>	<u>1,103.0</u>
PROFIT FOR THE PERIOD				
Profit attributable to:				
Shareholders of the Company	396.6	464.6	974.4	1,065.7
Minority interests	16.7	13.2	51.1	37.3
	<u>413.3</u>	<u>477.8</u>	<u>1,025.5</u>	<u>1,103.0</u>

Note: The comparative profit and loss account for the third quarter and nine months ended 31 December 2004 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

Notes:

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

	The Group		The Group	
	3rd Quarter 2005-06	3rd Quarter 2004-05	9 Months 2005-06	9 Months 2004-05
Interest income from short-term investments	(0.2)	(0.1)	(0.6)	(0.5)
Dividend income from short-term investments	--	(0.2)	(0.6)	(0.5)
Interest income	(25.5)	(15.8)	(68.4)	(33.6)
Finance Charges	25.4	20.3	74.1	54.6
Amortisation of deferred gain on sale and leaseback transactions	(25.4)	(30.3)	(81.2)	(92.9)
Surplus on disposal of short-term investments	(0.6)	(0.1)	(2.3)	(0.6)
Bad debts written off	0.4	1.3	1.6	2.0
Provision for/(writeback of) doubtful debts, net	(2.8)	3.3	2.0	3.5
Provision for diminution in value of short-term investments	--	--	--	0.1
Fair value loss/(gain) on financial derivatives	6.2	--	(3.6)	--
Adjustment for under/(over) provision of tax in respect of prior years	0.3	--	(11.7)	--
Exchange loss/(gain), net	59.6	(4.4)	130.8	21.2

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

	The Group		The Group	
	3rd Quarter 2005-06	3rd Quarter 2004-05	9 Months 2005-06	9 Months 2004-05
Staff compensation and restructuring of operations	--	9.0	--	37.7
Surplus on sale of investment in Air New Zealand	--	(45.7)	--	(45.7)
Surplus on sale of investment in Taikoo	--	(9.0)	--	(9.0)
	--	(45.7)	--	(17.0)

Note: The comparative profit and loss account for the third quarter and nine months ended 31 December 2004 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

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

BALANCE SHEETS AT 31 DECEMBER 2005 (IN \$ MILLION)

	The Group		The Company	
	31 Dec 2005	31 Mar 2005 (Restated)	31 Dec 2005	31 Mar 2005 (Restated)
SHARE CAPITAL				
Issued and fully paid	609.8	609.1	609.8	609.1
RESERVES				
Distributable				
General reserve	11,739.6	11,127.1	10,803.3	10,653.5
Fair value reserve	75.0	--	(22.0)	--
Non-distributable				
Share premium	465.3	448.2	465.3	448.2
Capital redemption reserve	64.4	64.4	64.4	64.4
Capital reserve	41.9	41.9	--	--
Foreign currency translation reserve	(12.9)	3.1	--	--
Share-based compensation reserve	75.2	48.4	59.2	37.1
	12,448.5	11,733.1	11,370.2	11,203.2
EQUITY ATTRIBUTABLE TO SHAREHOLDERS	13,058.3	12,342.2	11,980.0	11,812.3
MINORITY INTERESTS	365.1	302.8	--	--
TOTAL EQUITY	13,423.4	12,645.0	11,980.0	11,812.3
DEFERRED ACCOUNT	356.8	414.6	276.4	356.8
DEFERRED TAXATION	2,555.6	2,450.1	2,026.3	1,952.2
LONG-TERM LIABILITIES	2,276.8	2,333.3	1,439.4	1,449.5
	18,612.6	17,843.0	15,722.1	15,570.8
Represented by:-				
FIXED ASSETS				
Aircraft, spares and spare engines	12,119.1	12,292.0	9,240.2	9,484.8
Land and buildings	978.6	993.1	299.0	316.1
Others	2,386.3	2,019.4	1,914.6	1,407.2
	15,484.0	15,304.5	11,453.8	11,208.1
GOODWILL ON CONSOLIDATION	1.3	1.3	--	--
SUBSIDIARY COMPANIES	--	--	1,937.9	1,935.8
ASSOCIATED COMPANIES	964.5	695.0	1,722.2	1,716.1
JOINT VENTURE COMPANIES	349.5	323.6	151.0	151.0
LONG-TERM INVESTMENTS	478.6	476.3	412.8	409.2
CURRENT ASSETS				
Section 44 tax prepayments	166.1	221.4	166.1	221.4
Stocks	514.5	442.5	428.3	368.8
Trade debtors	1,479.8	1,344.7	918.6	859.4
Amounts owing by associated companies -- net	2.6	15.8	--	12.5
Investments	347.9	79.3	221.7	--
Cash and bank balances	3,084.9	2,840.2	2,671.4	2,509.1
	5,595.8	4,943.9	4,406.1	3,971.2
Less:- CURRENT LIABILITIES				
Sales in advance of carriage	1,125.8	1,031.2	1,097.3	1,003.2
Deferred revenue	280.4	237.9	280.0	237.9
Current tax payable	170.8	156.2	80.2	72.0
Trade creditors	2,595.9	2,380.4	1,804.6	1,763.8
Amounts owing to subsidiary companies -- net	--	--	1,078.5	719.4
Finance lease commitments-repayable within one year	45.4	44.1	--	--
Loans-repayable within one year	20.1	25.6	--	--
Bank overdrafts	22.7	26.2	21.1	24.3
	4,261.1	3,901.6	4,361.7	3,820.6
NET CURRENT ASSETS	1,334.7	1,042.3	44.4	150.6
	18,612.6	17,843.0	15,722.1	15,570.8

Note: The comparative balance sheets for 31 March 2005 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment, FRS 28 - Investments in Associates, FRS 103 - Business Combinations, FRS 36 - Impairment of Assets, FRS 38 - Intangible Assets and FRS 21 - The Effects of Changes in Foreign Exchange Rates. Please see paragraph 4 for details.

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

Amount repayable in one year or less, or on demand

As at 31/12/2005		As at 31/03/2005	
Secured	Unsecured	Secured	Unsecured
\$65.8M	\$22.4M	\$69.0M	\$26.9M

Amount repayable after one year

As at 31/12/2005		As at 31/03/2005	
Secured	Unsecured	Secured	Unsecured
\$1,175.6M	\$1,101.2M	\$1,231.7M	\$1,101.6M

Details of any collateral

\$145.1 million of the secured borrowings are secured by a first priority mortgage over 1 B747-400 freighter, of which \$18.5 million is repayable within one year. In addition, the UOB loan (\$3.1 million) and overdraft (\$1.6 million) obtained by SATS Group is secured by First Legal Mortgage on the building at 22 Senoko Way Singapore 758044. Another \$2.2 million obtained by SIAEC Group is secured over factory premises. The remaining secured borrowings pertained to finance leases of aircraft (\$1,089.4 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 CASH FLOW STATEMENTS
FOR THE THIRD QUARTER AND 9 MONTHS ENDED 31 DECEMBER 2005 (IN \$ MILLION)**

	The Group		The Group	
	3rd Quarter 2005-06	3rd Quarter 2004-05 (Restated)	9 Months 2005-06	9 Months 2004-05 (Restated)
NET CASH PROVIDED BY OPERATING ACTIVITIES	661.5	612.8	1,798.3	2,098.0
CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure	(610.6)	(400.4)	(1,477.0)	(1,684.2)
Proceeds from disposal of aircraft and other fixed assets	421.0	628.9	481.8	977.0
Return of capital from associated companies	1.5	--	3.3	3.3
Return of capital from long-term investments	--	--	--	13.9
Investments in associated companies	(13.5)	--	(15.7)	(184.1)
Investments in joint venture companies	--	--	--	(10.7)
Additional long-term investments	(89.4)	(88.6)	(90.8)	(146.3)
Net repayment	0.3	--	--	0.9
Proceeds from sale of long-term investments	90.4	92.1	90.4	155.0
Dividends received from associated and joint venture companies	47.9	7.1	66.9	27.1
Dividends received from investments	11.1	3.1	25.2	5.8
Interest received from investments and deposits	17.9	9.9	57.4	26.8
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(123.4)	252.1	(858.5)	(815.5)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	(121.9)	(121.9)	(487.6)	(426.4)
Dividends paid by subsidiary companies to minority interests	(11.9)	(8.1)	(30.8)	(91.8)
Interest paid	(13.9)	(26.4)	(61.8)	(55.8)
Proceeds from borrowings	0.6	--	0.6	202.5
Repayment of borrowings	(6.3)	(6.2)	(18.9)	(18.3)
Repayment of long-term lease liabilities	(30.2)	(1.5)	(51.8)	(11.1)
Proceeds from issuance of share capital by subsidiary companies to minority interests	--	--	9.5	--
Proceeds from exercise of employee share options	9.2	4.3	59.3	47.2
NET CASH USED IN FINANCING ACTIVITIES	(174.4)	(159.8)	(581.5)	(353.7)
NET CASH INFLOW	363.7	705.1	358.3	928.8
CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD	2,812.3	1,687.8	2,814.0	1,491.4
Effect of exchange rate changes	(113.8)	(2.9)	(110.1)	(30.2)
CASH AND CASH EQUIVALENTS AT END PERIOD	3,062.2	2,390.0	3,062.2	2,390.0
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Fixed deposits	2,300.5	1,936.9	2,300.5	1,936.9
Cash and bank	784.4	489.6	784.4	489.6
Bank overdrafts	(22.7)	(36.5)	(22.7)	(36.5)
CASH AND CASH EQUIVALENTS AT END PERIOD	3,062.2	2,390.0	3,062.2	2,390.0

Note: The comparative cash flow statement for the third quarter and nine months ended 31 December 2004 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

	3rd Quarter 2005-06	3rd Quarter 2004-05 (Restated)	9 Months 2005-06	9 Months 2004-05 (Restated)
Profit before taxation	538.7	598.4	1,309.3	1,367.3
Adjustments for:-				
Depreciation of fixed assets	327.7	307.2	949.0	916.2
Income from short-term investments	(0.2)	(0.3)	(1.2)	(1.0)
Share-based compensation expense	12.7	11.5	36.1	26.9
Exchange differences	115.6	(17.7)	101.8	22.8
Amortisation of deferred gain on sale and leaseback transactions	(25.4)	(30.3)	(81.2)	(92.9)
Finance charges	25.4	20.3	74.1	54.6
Interest income	(25.5)	(15.8)	(68.4)	(33.6)
Surplus on disposal of aircraft, spares and spare engines	(70.5)	(122.4)	(99.9)	(199.9)
Surplus on disposal of other fixed assets	(0.6)	(0.7)	(4.7)	(6.2)
Dividends from long-term investments	(11.1)	(3.1)	(24.6)	(5.6)
Provision for impairment of long-term investments	--	0.2	0.6	0.6
Amortisation of goodwill on consolidation	--	0.1	--	0.1
Amortisation of deferred gain	(0.3)	(0.3)	(1.0)	(1.0)
Share of profits of joint venture companies	(10.9)	(1.8)	(30.6)	(6.9)
Share of profits of associated companies	(70.5)	(16.9)	(196.4)	(117.3)
Staff compensation and restructuring of operations	--	9.0	--	37.7
Surplus on sale of investment in Air New Zealand	--	(45.7)	--	(45.7)
Surplus on sale of investment in Taikoo	--	(9.0)	--	(9.0)
Operating profit before working capital changes	805.1	682.7	1,962.9	1,907.1
Increase in creditors	116.2	130.6	106.8	470.2
(Increase)/decrease in short term investments	(225.1)	129.7	(258.5)	43.6
(Decrease)/increase in sales in advance of carriage	(73.1)	73.5	94.6	231.6
Decrease/(increase) in debtors	84.3	(133.0)	(26.3)	(256.8)
Increase in stocks	(31.8)	(215.8)	(72.0)	(229.7)
Increase in deferred revenue	13.3	0.3	41.8	22.7
(Increase)/decrease in amounts owing by associated and joint venture companies	(0.5)	(0.3)	13.2	(0.5)
Cash generated from operations	688.4	667.7	1,862.5	2,188.2
Staff compensation and restructuring of operations	--	(27.7)	--	(34.2)
Income taxes paid	(26.9)	(27.2)	(64.2)	(56.0)
Net cash provided by operating activities	661.5	612.8	1,798.3	2,098.0

Note: The comparative cash flow statement for the third quarter and nine months ended 31 December 2004 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

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 THIRD QUARTER ENDED 31 DECEMBER 2005 (IN \$ MILLION)**

The Group	Attributable to Shareholders of the Company									Minority interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
Balance at 1 October 2005, as previously reported	609.7	462.2	64.4	41.9	13.8	65.7	187.9	11,460.9	12,906.5	358.9	13,265.4
<u>Effects of adopting</u>											
- FRS 21 #	--	--	--	--	(5.7)	--	--	--	(5.7)	(1.1)	(6.8)
- FRS 103 @	--	--	--	--	--	--	--	(0.9)	(0.9)	--	(0.9)
Balance at 1 October 2005, as restated	609.7	462.2	64.4	41.9	8.1	65.7	187.9	11,460.0	12,899.9	357.8	13,257.7
Currency translation differences	--	--	--	--	(21.0)	--	--	--	(21.0)	(1.6)	(22.6)
Net fair value changes on available-for-sale assets	--	--	--	--	--	--	3.6	--	3.6	--	3.6
Net fair value changes on cash flow hedges	--	--	--	--	--	--	(204.4)	--	(204.4)	--	(204.4)
Share of an associated company's fair value reserve	--	--	--	--	--	--	87.9	--	87.9	--	87.9
Gain on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	--	--	4.9	4.9	3.5	8.4
Net income not recognised in the profit and loss account	--	--	--	--	(21.0)	--	(112.9)	4.9	(129.0)	1.9	(127.1)
Profit for the period October-December 2005	--	--	--	--	--	--	--	396.6	396.6	16.7	413.3
Net income recognised for the period October-December 2005	--	--	--	--	(21.0)	--	(112.9)	401.5	267.6	18.6	286.2
Share-based payment	--	--	--	--	--	12.3	--	--	12.3	0.6	12.9
Share options exercised	0.1	3.1	--	--	--	(2.8)	--	--	0.4	--	0.4
Dividends	--	--	--	--	--	--	--	(121.9)	(121.9)	(11.9)	(133.8)
Balance at 31 December 2005	609.8	465.3	64.4	41.9	(12.9)	75.2	75.0	11,739.6	13,058.3	365.1	13,423.4

Effect of adopting FRS 21 on the balance as at 31 March 2005. Please see paragraph 4 for details.

@ Effect of adopting FRS 103 on the balance as at 31 March 2005 due to finalisation of intangible assets value. Please see paragraph 4 for details.

The Group	Attributable to Shareholders of the Company									Minority interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
Balance at 1 October 2004	609.1	447.5	64.4	32.7	21.1	27.3	--	10,491.2	11,693.3	275.7	11,969.0
Currency translation differences	--	--	--	--	(16.3)	--	--	--	(16.3)	(1.7)	(18.0)
Gain on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	--	--	1.6	1.6	2.6	4.2
Net income not recognised in the profit and loss account	--	--	--	--	(16.3)	--	--	1.6	(14.7)	0.9	(13.8)
Profit for the period October-December 2004	--	--	--	--	--	--	--	464.6	464.6	13.2	477.8
Net income recognised for the period October-December 2004	--	--	--	--	(16.3)	--	--	466.2	449.9	14.1	464.0
Share-based payment	--	--	--	--	--	10.4	--	--	10.4	0.5	10.9
Share options exercised	*	0.2	--	--	--	--	--	--	0.2	--	0.2
Dividends	--	--	--	--	--	--	--	(121.9)	(121.9)	(8.1)	(130.0)
Balance at 31 December 2004	609.1	447.7	64.4	32.7	4.8	37.7	--	10,835.5	12,031.9	282.2	12,314.1

* Amount less than \$0.1 million.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2005 (IN \$ MILLION)**

The Company	Share capital	Share premium	Capital redemption reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total equity
Balance at 1 October 2005	609.7	462.2	64.4	50.8	136.7	10,703.5	12,027.3
Net fair value changes on available-for-sale assets	--	--	--	--	*	--	*
Net fair value changes on cash flow hedges	--	--	--	--	(158.7)	--	(158.7)
Net income not recognised in the profit and loss account	--	--	--	--	(158.7)	--	(158.7)
Profit for the period October-December 2005	--	--	--	--	--	221.7	221.7
Net income recognised for the period October-December 2005	--	--	--	--	(158.7)	221.7	63.0
Share-based payment	--	--	--	8.9	--	--	8.9
Share options exercised	0.1	3.1	--	(0.5)	--	--	2.7
Dividends	--	--	--	--	--	(121.9)	(121.9)
Balance at 31 December 2005	<u>609.8</u>	<u>465.3</u>	<u>64.4</u>	<u>59.2</u>	<u>(22.0)</u>	<u>10,803.3</u>	<u>11,980.0</u>
Balance at 1 October 2004	609.1	447.5	64.4	20.7	--	10,290.9	11,432.6
Profit for the period October-December 2004	--	--	--	--	--	327.7	327.7
Net income recognised for the period October-December 2004	--	--	--	--	--	327.7	327.7
Share-based payment	--	--	--	8.2	--	--	8.2
Share options exercised	*	0.2	--	--	--	--	0.2
Dividends	--	--	--	--	--	(121.9)	(121.9)
Balance at 31 December 2004	<u>609.1</u>	<u>447.7</u>	<u>64.4</u>	<u>28.9</u>	<u>--</u>	<u>10,496.7</u>	<u>11,646.8</u>

* Amount less than \$0.1 million.

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

SHARE CAPITAL AND OPTIONS ON SHARES IN THE COMPANY

(i) As at 31 December 2004, the number of share option of the Company outstanding was 74,757,825.

(ii) During the period October to December 2005, 258,987 shares were exercised under the SIA Company Limited Employee Share Option Plan, which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees.

(iii) The movement of share options of the Company during the period October to December 2005 is as follows:

Date of grant	Balance at 01.10.2005	Cancelled	Exercised during 01.10.2005 to 31.12.2005	Balance at 31.12.2005	Exercise price	Expiry date
28.03.2000	12,078,910	(93,700)	-	11,985,210	\$15.34	27.03.2010
03.07.2000	11,278,720	(75,900)	-	11,202,820	\$16.65	02.07.2010
02.07.2001	12,461,990	(26,885)	(50)	12,435,055	\$11.96	01.07.2011
01.07.2002	12,891,217	(27,740)	-	12,863,477	\$12.82	30.06.2012
01.07.2003	11,158,577	(30,543)	(235,710)	10,892,324	\$10.34	30.06.2013
01.07.2004	12,481,976	(48,260)	(23,227)	12,410,489	\$10.70	30.06.2014
01.07.2005	13,285,861	(22,135)	-	13,263,726	\$11.28	30.06.2015
	85,637,251	(325,163)	(258,987)	85,053,101		

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

The figures have not been audited or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared to the audited financial statements as at 31 March 2005 except for the adoption of all the new and revised Financial Reporting Standards (FRS) that became effective for the Group for the financial year beginning 1 April 2005.

The adoption of these new and revised FRSs did not have any significant financial impact to the Group except as discussed below:

(i) Effect of changes to the Profit and Loss Account for the nine months ended 31 December 2005.

	Increase/(decrease)		
	Profit before tax \$ million	Profit after tax ^{R1} \$ million	Basic & Diluted Earnings per share Cents
FRS 16	297.4	238.0	19.5
FRS 28	(5.5)	(3.8)	(0.3)
FRS 39	3.0	2.4	0.2
FRS 102	(36.1)	(36.1)	(3.0)
	258.8	200.5	16.4

^{R1} The profit after tax refers to the profit for the period April-December 2005.

(ii) Description of changes

FRS 16: Property, Plant and Equipment

FRS 16 has been revised to require major inspection costs to be capitalised. Accordingly, the portion of aircraft maintenance and overhaul costs relating to heavy maintenance visits and engine overhauls are now capitalised and depreciated over four years. Prior to FY2005-06, such costs have been charged to the profit and loss account on an incurred basis.

The revised treatment is applied prospectively and accordingly, the current financial period's aircraft maintenance and overhaul costs of the Group is lower by \$341.0 million and depreciation expenses has been increased by \$43.6 million. As a result, the profit after tax of the Group for the period April-December 2005 is higher by \$238.0 million, and the basic and diluted earnings per share are both higher by 19.5 cents.

FRS 28: Investments in Associates

FRS 28 requires appropriate adjustments to be made to the associated companies' financial statements to align them to the Group's accounting policies for reporting like transactions and other events in similar circumstances. The alignment of the different accounting policies has resulted in:

	Increased/(decreased) by \$ million
Profit for the period April-December 2005	(3.8)
Fair value reserve as at 1 April 2005	(44.6)
General reserve as at 31 March 2004	(87.8)
General reserve as at 31 March 2005	(87.8)
General reserve as at 1 April 2005	69.7
Associated companies as at 31 March 2004	(87.8)
Associated companies as at 31 March 2005	(87.8)
Associated companies as at 1 April 2005	25.1

The impact on both the Group's basic and diluted earnings per share is a decrease of 0.3 cent.

FRS 39: Financial Instruments: Recognition and Measurement

FRS 39 sets out the new requirement for the recognition, derecognition and measurement of the Group's financial instruments and hedge accounting. The adoption of FRS 39 has resulted in the Group recognising available-for-sale investments and all derivative financial instruments as assets or liabilities at fair value.

In accordance with the transitional provisions of FRS 39, the comparative financial statements for FY2004-05 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 April 2005.

	Increased by \$ million
General reserve	37.2
Fair value reserve	176.4
Minority interests	0.8
Deferred tax	53.6
Trade debtors	310.3
Trade creditors	42.3

Profit for the period April - December 2005 increased by \$2.4 million and the impact on both the Group's basic and diluted earnings per share is an increase of 0.2 cent.

FRS 102: Share-based Payments

FRS 102 requires the Group to recognise an expense in the profit and loss account with a corresponding increase in equity for share options granted after 22 November 2002 and not vested by 1 April 2005. The total amount to be recognised as an expense in the profit and loss account is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in the profit and loss account and a corresponding adjustment to equity over the remaining vesting period.

The application of FRS 102 is retrospective and accordingly, the comparative financial statements are restated and the financial impact on the Group is as follows:

	Increased/(decreased) by \$ million
Profit for the period April-December 2004	(26.9)
Profit for the period April-December 2005	(36.1)
General reserve as at 31 March 2004	(11.9)
General reserve as at 31 March 2005	(48.4)
Share-based compensation reserve as at 31 March 2004	11.9
Share-based compensation reserve as at 31 March 2005	48.4

	Decreased by Cents
Basic and Diluted earnings per share for April - December 2004	(2.2)
Basic and Diluted earnings per share for April - December 2005	(3.0)

FRS 103: Business Combinations; FRS 36: Impairment of Assets; FRS 38: Intangible Assets and FRS 21: The Effects of Changes in Foreign Exchange Rates

The new accounting standard FRS 103: Business Combinations has resulted in consequential amendments to two other accounting standards, FRS 36: Impairment of Assets and FRS 38: Intangible Assets.

Under FRS 103, goodwill acquired in a business combination is no longer subject to amortisation to the profit and loss account. Instead, it is subject to impairment review annually or whenever there is an indication that the goodwill is impaired as required by the revised FRS 36. Any impairment loss is charged to the profit and loss account and subsequent reversal is not allowed.

The Group adopted FRS 103 with effect from 1 April 2005, including the provisions related to the limited retrospective application of this standard. Accordingly, the general reserve as at 31 March 2005 has been restated to reflect a decrease of \$0.4 million.

Previously, goodwill was amortised using the straight line method over a period of between ten and twenty years. No goodwill amortisation was recorded for the nine months ended 31 December 2005 (April - December 2004: \$4.0 million). The intangible amortisation recorded during April - December 2005 was \$5.7 million.

Under FRS 21, goodwill and intangible assets that arose on the acquisition of foreign entities are to be translated at the exchange rates ruling at the balance sheet date. The resulting differences are taken to foreign currency translation reserve. FRS 21 has been applied retrospectively. Consequently, the foreign currency translation reserve as at 31 March 2005 has been reduced by \$5.7 million. For the nine months ended 31 December 2005, the difference in exchange rates has resulted in \$1.5 million reduction in foreign currency translation reserve.

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

Please refer to paragraph 4.

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

	The Group		The Group	
	3rd Quarter 2005-06	3rd Quarter 2004-05 (Restated)	9 Months 2005-06	9 Months 2004-05 (Restated)
Earnings per share (cents)				
- Basic	32.5	38.1	79.9	87.5
- Diluted	32.5	38.1	79.9	87.5

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

	The Group		The Company	
	As at 31 Dec 05	As at 31 Mar 05 (Restated)	As at 31 Dec 05	As at 31 Mar 05 (Restated)
Net asset value per ordinary share (\$)	10.71	10.13	9.82	9.70

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.

Record Revenue, Carriage and Yield Increase in Third Quarter 2005-06

The Group earned revenue of \$3,557 million in the third quarter ended 31 December 2005, which was a record for any quarter. The \$355 million increase (+11.1%) in revenue was the result of growth in carriage and yields for both passenger and cargo operations.

Group operating profit at \$375 million, was however \$38 million lower (-9.1%) as the increase in expenditure outpaced revenue growth. Expenditure grew by \$393 million (+14.1%) to \$3,182 million, due to the sharp rise in the price of jet fuel.

The Group's expenditure on fuel, net of hedging, rose 49.2% to \$1,183 million. Fuel accounted for 37.2% of the Group expenditure, up from 28.4% in the same quarter a year ago. Higher fuel price alone added \$243 million to Group expenditure.

Foreign exchange rate movements lowered operating profit by \$66 million in the third quarter. In comparison, exchange rate movements added \$49 million to operating profit in the same quarter last year.

The Group posted a net profit attributable to shareholders of \$397 million for the third quarter, a decline of \$68 million (-14.6%) from a year ago. For perspective, last year's profit of \$465 million was boosted by gains from the sale of investment in Air New Zealand. Excluding the one-off exceptional items, net profit attributable to shareholders declined by 7.6%.

The parent Passenger Airline Company achieved an operating profit of \$192 million (-6.1%). The Company's result was 51.3% (+1.7% points) of the Group's operating profit. Contributions by the three major subsidiary companies are as follows:

- Singapore Airlines Cargo (SIA Cargo): 25.8% (-2.5% points)
- Singapore Airport Terminal Services (SATS) Group: 12.8% (+0.9% point)
- SIA Engineering Company (SIAEC): 6.0% (+3.3% points).

The Council on Corporate Disclosure and Governance in Singapore adopted several new and revised Financial Reporting Standards (FRS) that came into effect in financial year 2005-06. For the Group, main changes are in the treatment of aircraft maintenance and overhaul costs (FRS 16), re-alignment of an associated company's financial statements to the Group's accounting policies (FRS 28), recognition and fair value measurement of financial instruments (FRS 39), and expensing of employee share options (FRS 102). Adoption of these FRSs resulted in a net positive contribution of \$84.5 million to profit after tax.

Reduction in Non-Fuel Expenditure

The Group achieved a net profit attributable to shareholders of \$974 million in the nine months ended 31 December 2005, a year-on-year decline of \$91 million (-8.6%).

Group operating profit at \$958 million was \$77 million less (-7.4%) than the corresponding period last year. Revenue improved \$971 million (+10.8%) from traffic and yield growth, while expenditure increased \$1,048 million (+13.2%), due to higher fuel price. However, the Group achieved a 1.4% reduction in non-fuel expenditure during the period.

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

Actual results are in line with the previous statement.

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

SUBSEQUENT EVENT

On 1 January 2006, Mr Stephen Lee Ching Yen became Chairman of Singapore Airlines Limited. Mr Lee was elected by the Board in October 2005 to succeed Mr Koh Boon Hwee on Mr Koh's retirement as Chairman at the end of 2005.

OUTLOOK

The outlook for air travel in 2006 is encouraging, given the sound economic outlook for the major markets.

Fuel prices remained high by historical standard, and continue to be a concern to the Group.

On the competition front, new entrants and established carriers continue to compete for market share. Singapore Airlines will continue to respond to these challenges and be competitive.

2006 will herald many exciting developments for the Group. Singapore Airlines is gearing up to be the first to fly the all-new Airbus A380-800 and to introduce the Boeing B777-300ER by the end of the year.

Singapore Airlines will take delivery of two Airbus A380-800s and six Boeing 777-300ERs, and de-commission six B747-400s, during 2006, thereby increasing the operating fleet to 92 passenger aircraft by 31 December 2006. The first Airbus A380-800 and the first Boeing 777-300ER are expected to be delivered in November 2006.

Singapore Airlines is expanding the network by four new destinations in coming months. On 1 February 2006, a three times weekly service commenced on a triangular routing to Karachi and Lahore in Pakistan.

On 1 March 2006, a three weekly service will commence to Moscow, capital of the Russian Federation. At the same time, three existing flights to Jeddah via Dubai will reroute via Abu Dhabi, making this the second destination in the United Arab Emirates to be served by Singapore Airlines. By March, the passenger route network will cover 63 destinations in 34 countries.

Frequencies to Adelaide, Hong Kong, Guangzhou, Taipei, Ho Chi Minh City, Penang and Athens will increase from 26 March 2006.

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? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13 Interested Person Transactions For the Company

Name of Interested Person	Aggregate value of all interested person transactions during the period 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)	
	9 Months 2005-06 S(\$)	9 Months 2004-05 S(\$)	9 Months 2005-06 S(\$)	9 Months 2004-05 S(\$)
Singapore Petroleum Company Ltd	-	-	354,127,173	235,744,645
Singapore Post Ltd Group:				
- Singapore Post Ltd	-	-	4,310,290	148,535
- G3 Worldwide Mail (S) Pte Ltd	-	-	-	1,765,952
Keppel Telecommunications & Transportation Ltd Group:				
- Asia Airfreight Terminal Company Ltd	-	-	16,215,389	16,020,749
SembCorp Logistics Ltd Group:				
- Singapore Technologies Logistics Pte Ltd	-	-	970,117	1,040,171
Singapore Technologies Engineering Ltd Group:				
- ST Aerospace Engineering Pte Ltd	-	-	388,357	102,232
Keppel Corporation Ltd Group:				
- Keppel Engineering Pte Ltd	-	-	-	4,539,924
Singapore Telecommunication Ltd Group:				
- Singapore Telecommunications Ltd	-	-	299,040	-
- NCS Communications Engineering Pte Ltd	-	-	-	419,070
Starhub Ltd	-	-	-	179,076
Temasek Holdings Pte Ltd Group (other than the above):				
- Senoko Energy Supply Pte Ltd	-	-	2,454,174	2,583,092
- Temasek Tower Limited	-	-	-	2,284,103
- Trusted Hub Ltd	-	-	473,940	-
- PT Bank Internasional Indonesia	-	-	387,303	-
- Dahlia Investments Pte Ltd	50,400,000	-	-	-
- MediaCorp Press Ltd	-	-	167,300	-
- Great Wall Airlines Company Ltd	-	-	210,671,282	-
- GreenDot Internet Services Pte Ltd	-	-	4,560,000	-
Total	50,400,000	-	595,024,365	264,827,549

Note: The transactions with Raffles Holdings Ltd ("RHL") group previously reported in our IPT reports in Q1 and Q2 05/06 have been removed as those transactions were no longer IPTs following the sale of RHL's entire hotel business.

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)	
	3rd Quarter 2005-06 S(\$)	3rd Quarter 2004-05 S(\$)	3rd Quarter 2005-06 S(\$)	3rd Quarter 2004-05 S(\$)
Singapore Petroleum Company Ltd	-	-	120,596,597	90,260,316
Singapore Post Ltd Group:				
- Singapore Post Ltd	-	-	1,226,405	148,535
- G3 Worldwide Mail (S) Pte Ltd	-	-	-	566,668
Keppel Telecommunications & Transportation Ltd Group:				
- Asia Airfreight Terminal Company Ltd	-	-	5,756,113	5,585,974
SembCorp Logistics Ltd Group:				
- Singapore Technologies Logistics Pte Ltd	-	-	270,615	304,548
Singapore Technologies Engineering Ltd Group:				
- ST Aerospace Engineering Pte Ltd	-	-	146,290	-
Keppel Corporation Ltd Group:				
- Keppel Engineering Pte Ltd	-	-	-	-
Singapore Telecommunication Ltd Group:				
- Singapore Telecommunications Ltd	-	-	-	-
- NCS Communications Engineering Pte Ltd	-	-	-	-
Starhub Ltd	-	-	-	-
Temasek Holdings Pte Ltd Group (other than the above):				
- Senoko Energy Supply Pte Ltd	-	-	774,415	831,585
- Temasek Tower Limited	-	-	-	-
- Trusted Hub Ltd	-	-	144,000	-
- PT Bank Internasional Indonesia	-	-	112,375	-
- Dahlia Investments Pte Ltd	-	-	-	-
- MediaCorp Press Ltd	-	-	-	-
- Great Wall Airlines Company Ltd	-	-	210,671,282	-
- GreenDot Internet Services Pte Ltd	-	-	4,560,000	-
Total	-	-	344,258,092	97,697,626

BY ORDER OF THE BOARD

Mr Loh Meng See
Company Secretary
2 February 2006