



**UNAUDITED RESULTS FOR THIRD QUARTER AND NINE MONTHS  
ENDED 31 DECEMBER 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 THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2010 (in \$ million)**

	The Group		The Group	
	3rd Quarter 2010-11	3rd Quarter 2009-10	9 Months 2010-11	9 Months 2009-10
<b>REVENUE</b>	3,841.0	3,418.0	10,938.0	9,371.5
<b>EXPENDITURE</b>				
Staff costs	555.9	477.4	1,646.9	1,664.2
Fuel costs	1,113.2	1,029.5	3,336.3	3,198.0
Depreciation	419.6	427.4	1,235.7	1,288.7
Impairment of property, plant and equipment	-	-	14.6	2.8
Amortisation of intangible assets	5.8	8.1	18.2	36.3
Aircraft maintenance and overhaul costs	105.0	87.5	300.1	259.6
Commission and incentives	108.5	80.5	307.4	230.4
Landing, parking and overflying charges	158.2	149.9	460.4	443.5
Handling charges	248.7	245.2	710.7	549.9
Rentals on leased aircraft	152.5	130.7	435.9	420.6
Material costs	46.6	53.5	169.5	316.8
Inflight meals	115.1	120.5	326.4	237.4
Advertising and sales costs	46.5	41.4	143.0	154.8
Insurance expenses	15.6	14.0	44.2	43.4
Company accommodation and utilities	28.7	27.9	83.5	112.7
Other passenger costs	39.2	31.8	110.0	97.5
Crew expenses	34.7	40.6	100.6	119.8
Other operating expenses	137.9	129.2	389.1	372.9
	<u>3,331.7</u>	<u>3,095.1</u>	<u>9,832.5</u>	<u>9,549.3</u>
<b>OPERATING PROFIT/(LOSS)</b>	509.3	322.9	1,105.5	(177.8)
Finance charges	(19.6)	(16.5)	(52.1)	(55.3)
Interest income	9.0	16.3	28.5	38.6
Surplus on disposal of aircraft, spares and spare engines	10.8	24.1	103.1	27.0
Dividends from long-term investments, gross	4.2	8.9	20.1	30.1
Other non-operating items	44.6	2.9	68.9	26.9
Share of profits of joint venture companies	17.7	12.1	56.4	41.1
Share of profits of associated companies	32.5	25.9	78.7	74.0
<b>PROFIT BEFORE EXCEPTIONAL ITEMS</b>	<u>608.5</u>	<u>396.6</u>	<u>1,409.1</u>	<u>4.6</u>
<b>EXCEPTIONAL ITEMS</b>	(199.1)	-	(201.8)	-
<b>PROFIT BEFORE TAXATION</b>	<u>409.4</u>	<u>396.6</u>	<u>1,207.3</u>	<u>4.6</u>
<b>TAXATION</b>	(107.8)	18.8	(242.9)	(19.0)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<u>301.6</u>	<u>415.4</u>	<u>964.4</u>	<u>(14.4)</u>
<b>PROFIT/(LOSS) ATTRIBUTABLE TO:</b>				
<b>OWNERS OF THE PARENT</b>	288.3	403.7	921.0	(62.2)
<b>NON-CONTROLLING INTERESTS</b>	13.3	11.7	43.4	47.8
	<u>301.6</u>	<u>415.4</u>	<u>964.4</u>	<u>(14.4)</u>
<b>BASIC EARNINGS/(LOSS) PER SHARE (CENTS)</b>	24.1	34.1	77.1	(5.3)
<b>DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)</b>	23.8	33.7	76.1	(5.3)

**Notes:**

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 nine months ended 31 December 2009 was prepared to exclude the operations of SATS Group. Please refer to Annex 1 for the proforma consolidated profit and loss account.

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

	The Group		The Group	
	3rd Quarter 2010-11	3rd Quarter 2009-10	9 Months 2010-11	9 Months 2009-10
Interest income from short-term investments	(0.2)	(0.3)	(0.6)	(0.7)
Dividend income from short-term investments	-	-	(0.7)	(0.6)
Income from operating lease of aircraft	(31.0)	-	(61.5)	-
Amortisation of deferred gain on sale and operating leaseback transactions	(6.7)	(15.7)	(22.6)	(49.3)
Surplus on disposal of short-term investments	(3.2)	(1.6)	(4.2)	(2.8)
Bad debts written off	-	0.2	0.6	0.6
(Write-back)/Impairment of trade debtors	(1.0)	(0.8)	(2.1)	0.3
Writedown on inventories	17.0	0.7	23.3	6.1
Exchange loss, net	19.1	14.8	76.5	39.4
Currency hedging loss/(gain)	10.8	49.4	24.8	(9.3)
Fuel hedging (gain)/loss recognised in "Fuel costs"	(17.2)	53.2	100.5	538.5
Ineffectiveness of fuel hedging contracts recognised in "Fuel costs"	-	(0.1)	-	0.9
Over provision of tax in respect of prior years	(4.3)	(31.0)	(10.3)	(29.8)
Adjustment of deferred revenue*	-	(57.8)	-	(57.8)

\* This adjustment is a result of the recognition of revenue deferred from KrisFlyer miles in line with the maturity profile of outstanding miles.

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

	The Group		The Group	
	3rd Quarter 2010-11	3rd Quarter 2009-10	9 Months 2010-11	9 Months 2009-10
Recognition of liquidated damages	45.1	1.1	70.6	19.3
(Loss)/Surplus on disposal of other property, plant and equipment	(0.5)	0.5	(1.0)	0.7
Loss on sale of Service Quality (SQ) Centre Ptd Ltd	-	-	(0.7)	-
Gain on disposal of SATS shares	-	1.3	-	6.4
Amortisation of deferred gain on sale and finance leaseback transactions	-	-	-	0.5
	<u>44.6</u>	<u>2.9</u>	<u>68.9</u>	<u>26.9</u>

(iii) The exceptional items comprised provision made in accordance with the Singapore Financial Reporting Standards for fines payable by SIA Cargo as imposed by the European Commission (€74.8 million or \$135.7 million), the South Korean Fair Trade Commission (KRW3.1 billion or \$3.6 million) and as agreed with the United States Department of Justice Antitrust Division (US\$48.0 million or \$62.5 million).

SIA Cargo has filed an appeal against the European Commission's decision. In its appeal, SIA Cargo contests any suggestion that it has been involved in a global conspiracy to fix surcharges. SIA Cargo also contests any suggestion that conduct in the context of the pro-competitive WOW global air cargo alliance can form part of such an alleged conspiracy. SIA Cargo further contests any suggestion that the European Commission can apply EU law to conduct in markets outside the EU that was lawful in those countries and did not have direct or substantial effects in the EU.

An appeal was also filed by SIA Cargo against the South Korean Fair Trade Commission's fine of \$3.6 million. SIA Cargo contests any suggestion that it was involved in a global conspiracy to fix surcharges. \$2.7 million of this fine was provided in the first quarter of FY2010-11, while the remaining \$0.9 million was provided in the current quarter.

SIA Cargo has accepted the plea offer made by the United States Department of Justice. The plea agreement will bring the Department of Justice's air cargo investigations in the United States to a close for SIA Cargo.

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2010 (in \$ million)**

	The Group		The Group	
	3rd Quarter 2010-11	3rd Quarter 2009-10	9 Months 2010-11	9 Months 2009-10
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	301.6	415.4	964.4	(14.4)
<b>OTHER COMPREHENSIVE INCOME:</b>				
Currency translation differences	(13.6)	(1.6)	(43.2)	(29.4)
Available-for-sale financial assets	(0.9)	0.6	(0.7)	10.5
Cash flow hedges	0.6	143.6	13.1	480.6
Loss on dilution of interest in an associated company due to share options exercised	(0.4)	-	(0.4)	-
Surplus on dilution of interest in subsidiary companies due to share options exercised	7.2	0.6	23.4	3.8
Share of other comprehensive expense of associated companies	(0.4)	-	(1.0)	-
<b>OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD</b>	<u>(7.5)</u>	<u>143.2</u>	<u>(8.8)</u>	<u>465.5</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>294.1</u>	<u>558.6</u>	<u>955.6</u>	<u>451.1</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
OWNERS OF THE PARENT	275.6	546.4	904.5	409.7
NON-CONTROLLING INTERESTS	18.5	12.2	51.1	41.4
	<u>294.1</u>	<u>558.6</u>	<u>955.6</u>	<u>451.1</u>
	The Company		The Company	
	3rd Quarter 2010-11	3rd Quarter 2009-10	9 Months 2010-11	9 Months 2009-10
<b>PROFIT FOR THE PERIOD</b>	404.7	344.2	929.8	100.6
<b>OTHER COMPREHENSIVE INCOME:</b>				
Available-for-sale financial assets	-	-	-	1.9
Cash flow hedges	(2.0)	117.6	(1.2)	390.1
Effects of changes in group structure	-	-	-	1,146.3
<b>OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD</b>	<u>(2.0)</u>	<u>117.6</u>	<u>(1.2)</u>	<u>1,538.3</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>402.7</u>	<u>461.8</u>	<u>928.6</u>	<u>1,638.9</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 31 DECEMBER 2010 (in \$ million)**

	The Group		The Company	
	31-Dec 2010	31-Mar 2010	31-Dec 2010	31-Mar 2010
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				
Share capital	1,825.1	1,750.6	1,825.1	1,750.6
Treasury shares	(16.4)	(0.9)	(16.4)	(0.9)
Capital reserve	75.1	74.8	2.8	2.5
Foreign currency translation reserve	(170.5)	(137.0)	-	-
Share-based compensation reserve	172.2	185.3	138.7	147.9
Fair value reserve	(129.7)	(140.9)	(86.5)	(85.3)
General reserve	12,289.9	11,737.0	12,216.9	11,668.5
	14,045.7	13,468.9	14,080.6	13,483.3
<b>NON-CONTROLLING INTERESTS</b>	285.4	280.4	-	-
<b>TOTAL EQUITY</b>	14,331.1	13,749.3	14,080.6	13,483.3
<b>DEFERRED ACCOUNT</b>	366.4	480.7	348.9	443.9
<b>DEFERRED TAXATION</b>	2,224.9	2,296.6	1,864.8	1,945.6
<b>LONG-TERM LIABILITIES AND PROVISIONS</b>	1,343.5	1,438.1	1,005.0	1,033.1
	18,265.9	17,964.7	17,299.3	16,905.9
Represented by:-				
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Aircraft, spares and spare engines	11,907.6	13,007.4	9,786.1	10,739.5
Land and buildings	280.0	253.6	95.9	105.8
Others	1,912.1	1,802.9	1,707.8	1,520.1
	14,099.7	15,063.9	11,589.8	12,365.4
<b>INTANGIBLE ASSETS</b>	78.0	80.8	43.9	55.0
<b>SUBSIDIARY COMPANIES</b>	-	-	1,755.8	1,805.8
<b>ASSOCIATED COMPANIES</b>	501.2	532.6	1,715.7	1,715.7
<b>JOINT VENTURE COMPANIES</b>	103.7	108.6	-	-
<b>LONG-TERM INVESTMENTS</b>	35.3	35.3	18.8	18.8
<b>OTHER NON-CURRENT ASSETS</b>	116.5	114.4	116.5	114.4
<b>CURRENT ASSETS</b>				
Inventories	406.1	429.5	267.1	309.8
Trade debtors	1,171.2	1,347.8	787.1	958.0
Deposits and other debtors	42.4	66.3	29.1	41.9
Prepayments	115.6	92.6	97.7	82.0
Amounts owing by subsidiary companies	-	-	211.2	141.0
Investments	301.0	140.6	236.6	80.0
Cash and bank balances	7,332.4	4,471.9	7,108.7	4,260.7
	9,368.7	6,548.7	8,737.5	5,873.4
Less: <b>CURRENT LIABILITIES</b>				
Sales in advance of carriage	1,425.1	1,338.0	1,387.1	1,301.9
Deferred revenue	448.2	460.1	448.2	460.1
Current tax payable	414.8	120.8	354.4	96.5
Trade and other creditors	2,767.8	2,498.7	1,937.4	1,876.6
Amounts owing to subsidiary companies	-	-	1,641.7	1,298.0
Amounts owing to associated companies	2.0	2.0	-	-
Finance lease commitments	61.4	64.5	-	-
Loans	1.2	-	-	-
Notes payable	900.0	-	900.0	-
Provisions	16.7	35.5	9.9	9.5
	6,037.2	4,519.6	6,678.7	5,042.6
<b>NET CURRENT ASSETS</b>	3,331.5	2,029.1	2,058.8	830.8
	18,265.9	17,964.7	17,299.3	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 31 December 2010		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
\$61.4M	\$901.2M	\$64.5M	NIL

Amount repayable after one year

As at 31 December 2010		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
\$301.6M	\$800.0M	\$374.4M	\$900.0M

Details of any collateral

The secured borrowings pertained to finance leases of aircraft (\$363.0 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 THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2010 (in \$ million)**

	The Group		The Group	
	3rd Quarter 2010-11	3rd Quarter 2009-10	9 Months 2010-11	9 Months 2009-10
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before taxation	409.4	396.6	1,207.3	4.6
Adjustments for:-				
Depreciation	419.6	427.4	1,235.7	1,288.7
Impairment of property, plant and equipment	-	-	14.6	2.8
Amortisation of intangible assets	5.8	8.1	18.2	36.3
(Writeback)/Impairment of trade debtors	(1.0)	(0.8)	(2.1)	0.3
Income from short-term investments	(0.2)	(0.3)	(1.3)	(1.3)
Share-based compensation expense	3.9	7.5	15.0	36.2
Exchange differences	1.2	(15.4)	18.1	(11.7)
Amortisation of deferred gain on sale and operating leaseback transactions	(6.7)	(15.7)	(22.6)	(49.3)
Finance charges	19.6	16.5	52.1	55.3
Interest income	(9.0)	(16.3)	(28.5)	(38.6)
Surplus on disposal of aircraft, spares and spare engines	(10.8)	(24.1)	(103.1)	(27.0)
Dividends from long-term investments, gross	(4.2)	(8.9)	(20.1)	(30.1)
Other non-operating items	(44.6)	(2.9)	(68.9)	(26.9)
Share of profits of joint venture companies	(17.7)	(12.1)	(56.4)	(41.1)
Share of profits of associated companies	(32.5)	(25.9)	(78.7)	(74.0)
Exceptional items	199.1	-	201.8	-
Operating profit before working capital changes	931.9	733.7	2,381.1	1,124.2
Increase/(Decrease) in trade and other creditors	37.9	(65.8)	128.5	(28.8)
(Decrease)/Increase in sales in advance of carriage	(56.4)	(52.0)	87.1	138.9
Decrease/(Increase) in trade debtors	137.3	87.8	213.0	(4.2)
Decrease/(Increase) in deposits and other debtors	13.0	(37.7)	23.9	147.3
Increase in prepayments	(17.1)	(17.6)	(23.0)	(7.2)
Decrease/(Increase) in inventories	17.8	(4.6)	23.4	6.0
Increase/(Decrease) in deferred revenue	0.3	(43.9)	(11.9)	(32.7)
Increase/(Decrease) in amounts owing to associated companies	0.4	(2.7)	-	1.3
Cash generated from operations	1,065.1	597.2	2,822.1	1,344.8
Income taxes paid	(1.1)	(32.0)	(12.3)	(128.7)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,064.0</b>	<b>565.2</b>	<b>2,809.8</b>	<b>1,216.1</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2010 (in \$ million)**

	The Group		The Group	
	3rd Quarter 2010-11	3rd Quarter 2009-10	9 Months 2010-11	9 Months 2009-10
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure	(201.0)	(266.5)	(938.0)	(1,256.3)
Purchase of intangible assets	(2.8)	(21.5)	(17.3)	(28.8)
Proceeds from disposal of aircraft and other property, plant and equipment	218.9	67.9	715.1	137.8
(Purchase)/Disposal of short term investments	(123.7)	4.8	(161.1)	544.1
Proceeds on disposal of associated company	-	-	2.1	-
Net cash flow from disposal of a subsidiary company	-	-	-	(301.9)
Investments in associated companies	-	-	(1.1)	-
Repayment of loans by associated companies	-	-	-	0.4
Dividends received from associated and joint venture companies	44.9	67.7	118.8	117.8
Dividends received from investments	4.2	8.9	20.8	30.7
Interest received from investments and deposits	6.8	10.2	16.4	25.1
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(52.7)</b>	<b>(128.5)</b>	<b>(244.3)</b>	<b>(731.1)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividends paid	(239.4)	-	(382.7)	(236.9)
Dividends paid by subsidiary companies to non-controlling interests	(14.1)	(11.0)	(46.1)	(48.9)
Interest paid	(22.8)	(25.1)	(52.8)	(60.9)
Proceeds from issuance of bonds	-	-	800.0	-
Proceeds from borrowing	0.8	-	1.2	2.1
Repayment of borrowings	-	-	-	(25.0)
Repayment of long-term lease liabilities	(11.8)	(12.2)	(43.5)	(45.9)
Proceeds from issuance of share capital by subsidiary companies to non-controlling interests	-	-	-	1.0
Proceeds from exercise of share options	17.4	12.4	79.2	32.2
Purchase of treasury shares	(15.8)	-	(15.8)	-
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(285.7)</b>	<b>(35.9)</b>	<b>339.5</b>	<b>(382.3)</b>
<b>NET CASH INFLOW</b>	<b>725.6</b>	<b>400.8</b>	<b>2,905.0</b>	<b>102.7</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD</b>	<b>6,613.5</b>	<b>3,517.6</b>	<b>4,471.9</b>	<b>3,838.7</b>
Effect of exchange rates changes	(6.7)	(2.4)	(44.5)	(25.4)
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>7,332.4</b>	<b>3,916.0</b>	<b>7,332.4</b>	<b>3,916.0</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Fixed deposits	7,005.7	3,483.6	7,005.7	3,483.6
Cash and bank	326.7	432.4	326.7	432.4
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>7,332.4</b>	<b>3,916.0</b>	<b>7,332.4</b>	<b>3,916.0</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.**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010 (in \$ million)**

The Group	Attributable to Owners of the Parent								Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
Balance at 1 October 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
Total comprehensive (expense)/ income for the period										
October to December 2010	-	-	-	(11.1)	(1.7)	(0.9)	289.3	275.6	18.5	294.1
Share-based compensation expense	-	-	-	-	3.9	-	-	3.9	-	3.9
Share options exercised	12.3	-	-	-	(2.2)	-	-	10.1	-	10.1
Share options lapsed	-	-	-	-	(0.2)	-	0.2	-	-	-
Purchase of treasury shares	-	(15.8)	-	-	-	-	-	(15.8)	-	(15.8)
Treasury shares reissued pursuant to equity compensation plans	-	0.1	-	-	-	-	-	0.1	-	0.1
Dividends	-	-	-	-	-	-	(239.4)	(239.4)	(14.1)	(253.5)
Balance at 31 December 2010	1,825.1	(16.4)	75.1	(170.5)	172.2	(129.7)	12,289.9	14,045.7	285.4	14,331.1

**STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2009 (in \$ million)**

The Group	Attributable to Owners of the Parent								Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
Balance at 1 October 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
Total comprehensive (expense)/ income for the period										
October to December 2009	-	-	-	(1.0)	(0.3)	143.8	403.9	546.4	12.2	558.6
Share-based compensation expense	-	-	-	-	7.5	-	-	7.5	-	7.5
Share options lapsed	-	-	-	-	(0.7)	-	0.7	-	-	-
Treasury shares reissued pursuant to equity compensation plans	-	13.3	0.9	-	(2.4)	-	-	11.8	-	11.8
Dividends	-	-	-	-	-	-	-	-	(11.0)	(11.0)
Balance at 31 December 2009	1,684.8	(8.5)	91.7	(135.6)	183.7	(170.1)	11,375.7	13,021.7	263.1	13,284.8

**STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010 (in \$ million)**

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 October 2010	1,812.8	(0.7)	2.8	137.9	(84.5)	12,051.4	13,919.7
Total comprehensive (expense)/income for the period October to December 2010	-	-	-	-	(2.0)	404.7	402.7
Share-based compensation expense	-	-	-	3.2	-	-	3.2
Share options exercised	12.3	-	-	(2.2)	-	-	10.1
Share options lapsed	-	-	-	(0.2)	-	0.2	-
Purchase of treasury shares	-	(15.8)	-	-	-	-	(15.8)
Treasury shares reissued pursuant to equity compensation plans	-	0.1	-	-	-	-	0.1
Dividends	-	-	-	-	-	(239.4)	(239.4)
Balance at 31 December 2010	<u>1,825.1</u>	<u>(16.4)</u>	<u>2.8</u>	<u>138.7</u>	<u>(86.5)</u>	<u>12,216.9</u>	<u>14,080.6</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2009 (in \$ million)**

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 October 2009	1,684.8	(21.8)	0.8	144.1	(221.6)	11,143.7	12,730.0
Total comprehensive income for the period October to December 2009	-	-	-	-	117.6	344.2	461.8
Share-based compensation expense	-	-	-	6.0	-	-	6.0
Share options exercised	-	-	-	(0.6)	-	0.6	-
Treasury shares reissued pursuant to equity compensation plans	-	13.3	0.9	(2.4)	-	-	11.8
Balance at 31 December 2009	<u>1,684.8</u>	<u>(8.5)</u>	<u>1.7</u>	<u>147.1</u>	<u>(104.0)</u>	<u>11,488.5</u>	<u>13,209.6</u>

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

**SHARE CAPITAL AND OPTIONS ON SHARES IN THE COMPANY**

Share Capital

During the period October to December 2010, the Company issued 938,567 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 October 2010	1,196,369,637	1,812.8
Share options exercised during the period October to December 2010	938,567	12.3
Balance at 31 December 2010	1,197,308,204	1,825.1

As at 31 December 2010, the number of ordinary shares in issue was 1,197,308,204 of which 1,090,984 were held by the Company as treasury shares. The share capital was \$1,825.1 million. (31 December 2009: 1,186,547,790 ordinary shares of which 742,568 were held as treasury shares.)

Employee Share Option Plan

As at 31 December 2010, the number of share options of the Company outstanding was 44,105,750 (31 December 2009: 59,189,590).

During the period October to December 2010, 938,567 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 October to December 2010 is as follows:

Date of Grant	Balance at 01.10.2010	Cancelled during 01.10.2010 to 31.12.2010	Exercised during 01.10.2010 to 31.12.2010	Balance at 31.12.2010	Exercise price*	Expiry date
02.07.2001	1,621,826	(4,180)	(80,670)	1,536,976	\$9.75	01.07.2011
01.07.2002	2,681,238	(6,555)	(54,275)	2,620,408	\$10.61	30.06.2012
01.07.2003	1,768,358	(4,037)	(36,825)	1,727,496	\$8.13	30.06.2013
01.07.2004	3,031,516	(1,425)	(63,777)	2,966,314	\$8.49	30.06.2014
01.07.2005	5,824,732	(7,743)	(136,652)	5,680,337	\$9.07	30.06.2015
03.07.2006	7,808,690	(3,705)	(250,398)	7,554,587	\$10.39	02.07.2016
02.07.2007	11,250,548	(44,958)	(5,605)	11,199,985	\$16.51	01.07.2017
01.07.2008	11,144,775	(14,763)	(310,365)	10,819,647	\$13.12	30.06.2018
	45,131,683	(87,366)	(938,567)	44,105,750		

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

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

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

Depending on the achievement of pre-determined targets over a two-year period for the RSP and a three-year period for the PSP, the final number of restricted shares and performance shares awarded could range between 0% and 150% of the initial grant of the restricted shares and between 0% and 200% of the initial grant of the performance shares.

As at 31 December 2010, the number of outstanding shares granted under the Company's RSP was 1,545,161 (31 December 2009: 1,734,240).

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

Date of Grant	Number of Restricted Shares		
	Balance at 01.10.2010	Cancelled	Balance at 31.12.2010
<b>RSP</b>			
01.08.2007	122,147	-	122,147
01.07.2008	218,505	-	218,805
29.07.2009	657,209	-	657,209
22.07.2010	547,300	-	547,300
	1,545,161	-	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 01.10.2010	Vested	Balance at 31.12.2010
<b>RSP</b>			
01.04.2010	10,000	-	10,000
07.05.2010	601,500	(5,000)	596,500
	611,500	(5,000)	606,500

As at 31 December 2010, the number of outstanding shares granted under the Company's PSP was 644,664 (31 December 2009: 644,163).

Date of Grant	Number of Performance Shares		
	Balance at 01.10.2010	Cancelled	Balance at 31.12.2010
<b>PSP</b>			
01.07.2008	248,864	-	248,864
29.07.2009	218,400	-	218,400
22.07.2010	177,400	-	177,400
	644,664	-	644,664

**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 31 December 2010, the number of ordinary shares in issue was 1,197,308,204 of which 1,090,984 were held by the Company as treasury shares. (31 December 2009: 1,186,547,790 ordinary shares of which 742,568 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 October to December 2010, the Company purchased 1,036,000 treasury shares (October to December 2009: NIL).

In addition, the company transferred 5,000 treasury shares on vesting of share awards plan (October to December 2009: 1,174,860 treasury shares were transferred to employees on exercise of share options). 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 October 2010	59,984	(0.7)
Purchase of treasury shares	1,036,000	(15.8)
Treasury shares transferred on exercise of share options	(5,000)	0.1
Balance at 31 December 2010	1,090,984	(16.4)

**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.**

Except as disclosed below, 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.

During the quarter, the Group reduced the estimated useful lives and residual values for certain aircraft pursuant to the sale of these aircraft. Consequently, an additional depreciation expense of \$22.9 million was charged to the profit and loss account during the period.

**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	
	3rd Quarter 2010-11	3rd Quarter 2009-10	9 Months 2010-11	9 Months 2009-10
Earnings/(Loss) per share (cents)				
- Basic	24.1	34.1	77.1	(5.3)
- Diluted	23.8	33.7	76.1	(5.3)

**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 31 Dec 10	As at 31 Mar 10	As at 31 Dec 10	As at 31 Mar 10
Net asset value per ordinary share (\$)	11.74	11.30	11.77	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**

Third Quarter 2010-11

The Group made an operating profit of \$509 million in the third quarter of the 2010-11 financial year, an increase of \$186 million (+58%) over the same quarter last year.

Group revenue at \$3,841 million grew \$423 million (+12%) year-on-year, supported by continued improvement in carriage and yields.

On the cost side, Group expenditure rose \$237 million (+8%) to \$3,332 million. Expenditure on fuel before hedging increased \$154 million owing to higher jet fuel prices.

Group net profit for the third quarter was \$288 million, a decline of \$116 million from the corresponding period a year earlier. In the quarter, a \$199 million provision was made in accordance with the Singapore Financial Reporting Standards for fines imposed on SIA Cargo by competition authorities in overseas jurisdictions [See note (iii) on page 3]. Excluding the fines, Group net profit improved by 21%.

The Parent Airline Company earned an operating profit of \$378 million in the third quarter, \$147 million more than in the same three months of the previous year. All the main companies in the Group were profitable, with improved operating performance.

SIA Cargo	Operating profit of	\$48 million (+18%)
SilkAir	Operating profit of	\$45 million (+93%)
SIA Engineering	Operating profit of	\$34 million (+58%)

### April to December 2010

For the nine months to December 2010, the Group recorded an operating profit of \$1,105 million, a turnaround from the \$178 million operating loss in the same period the previous year.

Group revenue improved 17% (+\$1,567 million) to \$10,938 million while Group expenditure rose at a slower rate of 3% (+\$283 million) to \$9,833 million.

The Group recorded a net profit of \$921 million for the April-December period, a turnaround from the net loss of \$62 million in the same nine months of the previous year.

### **BALANCE SHEET REVIEW** **(December 2010 vs March 2010)**

Equity attributable to owners of the parent increased by \$577 million or 4.3% to \$14,046 million as at 31 December 2010 due mainly to April to December 2010 profits (+\$921 million), partially offset by payment of interim dividends in respect of FY2010-11 (-\$239 million) and payment of final dividends in respect of FY2009-10 (-\$143 million) from the general reserve.

Total Group assets increased by \$1,819 million or 8.1% to \$24,303 million as at 31 December 2010 mainly attributable to increase in cash and bank balances by \$2,861 million, arising from operational cash inflows and proceeds from bond issuance. This was partially offset by the decrease in property, plant and equipment of \$964 million.

Total Group liabilities rose \$1,237 million or 14.2% to \$9,972 million as at 31 December 2010. This was mainly on account of the two bond issues in July and September 2010 (+\$800 million) and increase in trade and other creditors (+\$269 million) and higher sales in advance of carriage (+\$87 million). The increase in trade and other creditors was mainly due to provision for legal fines imposed on SIA Cargo by competition authorities in overseas jurisdictions (\$202 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**

As airlines including SIA continue to inject capacity, advance passenger bookings for the final quarter of the 2010-11 financial year are leveling off.

For air cargo, regional differences will continue to be marked in 2011 with strength in Asia Pacific and uncertainties in Europe markets. Growth for airfreight is expected to continue for the rest of the financial year, albeit at a slower rate.

On the cost side, jet fuel prices are at two year highs and trending up. Fuel remains the biggest expense item for the Group.

### **SUBSEQUENT EVENT**

On 21 January 2011, Singapore Airlines announced an increase of the fuel surcharge for tickets issued on or after 27 January 2011. The adjustments will offer only partial relief of higher operating costs arising from recent increases in the price of jet fuel. Singapore Airlines will continue to monitor the price of jet fuel and keep the application of the fuel surcharge under active review.

## **11 Dividend**

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

**Any dividend declared for the current financial period reported on?** None. The Company declares dividends (if any) at the half year and full year results announcements.

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?** None.

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

Not applicable.

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

Not applicable.

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

No dividend has been declared/recommendeded for the period ended 31 December 2010.

### 13 Interested Person Transactions

Interested person transactions conducted during the third 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)
	3rd Quarter 2010-11 (\$)	3rd Quarter 2010-11 (\$)
<b>SATS Ltd. Group</b>		
- Aero Laundry & Linen Services Private Limited	-	3,064,129
- Air India - SATS Airport Services Private Limited	-	329,136
- Asia Airfreight Terminal Co Ltd	-	2,759,447
- Beijing Airport Inflight Kitchen Limited	-	931,872
- Beijing Aviation Ground Services Company Ltd	-	1,706,447
- Maldives Inflight Catering Pte Ltd	-	338,142
- PT Jasa Angkasa Semesta Tbk	-	2,511,542
- SATS Airport Services Pte Ltd	-	7,224,897
- SATS Catering Pte Ltd	-	5,167,293
- SATS HK Limited	-	1,104,395
- SATS Ltd.	-	101,719,409
- SATS Security Services Private Limited	-	4,868,595
- Taj Madras Flight Kitchen Pvt Limited	-	137,655
- Taj SATS Air Catering Ltd	-	1,044,595
- Tan Son Nhat Cargo Services Ltd (TCS)	-	202,115
<b>Total Interested Person Transactions</b>	-	<b>133,109,669</b>

By Order of the Board

Ethel Tan (Mrs)  
Company Secretary  
28 January 2011

*Singapore Company Registration No.: 197200078R*

**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 third quarter and nine months ended 31 December 2010 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

28 January 2011

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE NINE MONTHS ENDED 31 DECEMBER 2010 (in \$ million)**

	The Group	
	9 Months 2010-11	9 Months 2009-10 Proforma*
<b>REVENUE</b>	10,938.0	9,032.3
<b>EXPENDITURE</b>		
Staff costs	1,646.9	1,473.9
Fuel costs	3,336.3	3,198.0
Depreciation	1,235.7	1,260.4
Impairment of property, plant and equipment	14.6	2.8
Amortisation of intangible assets	18.2	26.2
Aircraft maintenance and overhaul costs	300.1	259.6
Commission and incentives	307.4	230.4
Landing, parking and overflying charges	460.4	443.5
Handling charges	710.7	676.3
Rentals on leased aircraft	435.9	420.6
Material costs	169.5	161.8
Inflight meals	326.4	337.7
Advertising and sales costs	143.0	143.0
Insurance expenses	44.2	43.4
Company accommodation and utilities	83.5	76.4
Other passenger costs	110.0	97.5
Crew expenses	100.6	119.8
Other operating expenses	389.1	314.6
	<b>9,832.5</b>	<b>9,285.9</b>
<b>OPERATING PROFIT/(LOSS)</b>	1,105.5	(253.6)
Finance charges	(52.1)	(52.0)
Interest income	28.5	38.4
Surplus on disposal of aircraft, spares and spare engines	103.1	27.0
Dividends from long-term investments, gross	20.1	30.1
Other non-operating items	68.9	26.1
Share of profits of joint venture companies	56.4	41.1
Share of profits of associated companies	78.7	57.3
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS</b>	1,409.1	(85.6)
<b>EXCEPTIONAL ITEMS</b>	(201.8)	-
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	1,207.3	(85.6)
<b>TAXATION</b>	(242.9)	(0.8)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	964.4	(86.4)
<b>PROFIT/(LOSS) ATTRIBUTABLE TO:</b>		
<b>OWNERS OF THE PARENT</b>	921.0	(120.7)
<b>NON-CONTROLLING INTERESTS</b>	43.4	34.3
	<b>964.4</b>	<b>(86.4)</b>

\* 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 the nine months ended 31 December 2009 was prepared to exclude the operations of SATS Group.