



**UNAUDITED RESULTS FOR THE THIRD QUARTER AND
NINE MONTHS ENDED 31 DECEMBER 2015**

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 2015 (in \$ million)**

| | The Group | | The Group | |
|--|------------------------------------|------------------------------------|---------------------|---------------------|
| | 3 rd Quarter 2015-16 | 3 rd Quarter 2014-15 | 9 Months 2015-16 | 9 Months 2014-15 |
| REVENUE | 3,941.0 | 4,098.5 | 11,519.1 | 11,685.8 |
| EXPENDITURE | | | | |
| Staff costs | 620.6 | 585.0 | 1,823.2 | 1,745.1 |
| Fuel costs | 1,138.9 | 1,492.9 | 3,603.0 | 4,295.0 |
| Depreciation | 369.3 | 384.2 | 1,152.1 | 1,116.5 |
| Impairment of property, plant and equipment | 0.8 | - | 9.0 | - |
| Amortisation of intangible assets | 7.8 | 6.4 | 23.6 | 19.3 |
| Aircraft maintenance and overhaul costs | 178.7 | 164.2 | 567.7 | 475.6 |
| Commission and incentives | 87.9 | 102.8 | 277.8 | 277.8 |
| Landing, parking and overflying charges | 198.1 | 191.7 | 574.7 | 560.7 |
| Handling charges | 294.2 | 275.8 | 858.2 | 795.7 |
| Rentals on leased aircraft | 253.5 | 223.2 | 680.7 | 586.5 |
| Material costs | 18.8 | 11.4 | 49.6 | 45.2 |
| Inflight meals | 138.7 | 139.1 | 412.5 | 421.4 |
| Advertising and sales costs | 57.7 | 65.8 | 203.1 | 178.7 |
| Insurance expenses | 12.4 | 11.2 | 33.3 | 32.6 |
| Company accommodation and utilities | 29.3 | 31.2 | 87.7 | 90.7 |
| Other passenger costs | 45.8 | 44.3 | 137.1 | 131.6 |
| Crew expenses | 38.0 | 36.5 | 110.7 | 111.1 |
| Other operating expenses | 162.5 | 186.5 | 387.1 | 484.8 |
| | <u>3,653.0</u> | <u>3,952.2</u> | <u>10,991.1</u> | <u>11,368.3</u> |
| OPERATING PROFIT | 288.0 | 146.3 | 528.0 | 317.5 |
| Finance charges | (11.6) | (13.1) | (38.2) | (37.1) |
| Interest income | 21.2 | 21.6 | 60.2 | 55.4 |
| Surplus/(Loss) on disposal of aircraft, spares and spare engines | 53.3 | (2.8) | 50.7 | 51.3 |
| Dividends from long-term investments | 10.4 | 6.1 | 113.7 | 11.4 |
| Other non-operating items | (15.9) | 1.9 | (2.5) | 7.4 |
| Share of profits of joint venture companies | 10.4 | 9.3 | 16.4 | 42.9 |
| Share of profits/(losses) of associated companies | 7.1 | 14.3 | 0.9 | (108.6) |
| PROFIT BEFORE EXCEPTIONAL ITEMS | 362.9 | 183.6 | 729.2 | 340.2 |
| EXCEPTIONAL ITEMS | - | 56.2 | - | 46.1 |
| PROFIT BEFORE TAXATION | 362.9 | 239.8 | 729.2 | 386.3 |
| TAXATION | (65.8) | (25.1) | (111.4) | (22.1) |
| PROFIT FOR THE PERIOD | <u>297.1</u> | <u>214.7</u> | <u>617.8</u> | <u>364.2</u> |
| PROFIT ATTRIBUTABLE TO: | | | | |
| OWNERS OF THE PARENT | 274.9 | 202.6 | 579.7 | 328.3 |
| NON-CONTROLLING INTERESTS | 22.2 | 12.1 | 38.1 | 35.9 |
| | <u>297.1</u> | <u>214.7</u> | <u>617.8</u> | <u>364.2</u> |
| BASIC EARNINGS PER SHARE (CENTS) | 23.6 | 17.3 | 49.7 | 28.0 |
| DILUTED EARNINGS PER SHARE (CENTS) | 23.5 | 17.2 | 49.5 | 27.8 |

Notes:

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

| | The Group | | The Group | |
|--|------------------------------------|------------------------------------|---------------------|---------------------|
| | 3 rd Quarter 2015-16 | 3 rd Quarter 2014-15 | 9 months 2015-16 | 9 months 2014-15 |
| Compensation for changes in aircraft delivery slots | (8.5) | (16.5) | (129.3) | (50.6) |
| Interest income from short-term investments | (0.2) | (0.2) | (0.7) | (0.6) |
| Dividend income from short-term investments | - | - | (0.7) | (0.7) |
| Income from operating lease of aircraft | (9.1) | (4.8) | (35.4) | (15.9) |
| Amortisation of deferred gain on sale and operating leaseback transactions | (1.6) | (1.1) | (5.8) | (4.4) |
| Loss/(Surplus) on disposal of short-term investments | 0.4 | - | 1.0 | (3.3) |
| Bad debts written off | 0.8 | 0.3 | 0.8 | 1.3 |
| (Writeback)/Impairment of trade debtors | (5.0) | 0.6 | (3.8) | 2.1 |
| Writedown on inventories | 9.5 | 10.2 | 20.6 | 22.5 |
| Exchange loss, net | 27.7 | 44.1 | 63.4 | 82.5 |
| Currency hedging gain | (20.3) | (12.8) | (93.4) | (4.1) |
| Fuel hedging loss recognised in "Fuel costs" | 298.6 | 212.3 | 867.9 | 201.4 |
| Ineffectiveness of fuel hedging contracts recognised in "Fuel costs" | - | 13.9 | 0.2 | 13.3 |
| (Over)/Underprovision of tax in respect of prior years | (0.1) | (1.2) | 6.8 | (50.3) |

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

| | The Group | | The Group | |
|---|------------------------------------|------------------------------------|---------------------|---------------------|
| | 3 rd Quarter 2015-16 | 3 rd Quarter 2014-15 | 9 Months 2015-16 | 9 Months 2014-15 |
| Impairment of aircraft | (8.9) | - | (8.9) | - |
| (Loss)/Surplus on disposal of other property, plant and equipment | (0.2) | 2.0 | 7.1 | 1.9 |
| Surplus on disposal of a subsidiary company | - | - | 3.3 | 5.8 |
| Surplus on partial disposal of an associated company | - | - | 2.8 | - |
| Loss on liquidation of an associated company | (4.3) | - | (4.3) | (0.2) |
| Impairment on investment in an associated company | (2.5) | - | (2.5) | - |
| Impairment on long-term investment | - | (0.3) | - | (0.3) |
| Writeback of shutdown costs of an associated company | - | 2.8 | - | 2.8 |
| Loss on disposal of an associated company | - | (2.6) | - | (2.6) |
| | <u>(15.9)</u> | <u>1.9</u> | <u>(2.5)</u> | <u>7.4</u> |

(iii) Exceptional items comprise the following:

| | The Group | | The Group | |
|--|------------------------------------|------------------------------------|---------------------|---------------------|
| | 3 rd Quarter 2015-16 | 3 rd Quarter 2014-15 | 9 Months 2015-16 | 9 Months 2014-15 |
| Remeasurement gain arising from consolidation of Tiger Airways | - | 119.8 | - | 119.8 |
| Impairment on long-term investment | - | (63.6) | - | (63.6) |
| Gain on divestment of an associated company | - | - | - | 7.3 |
| Impairment of freighters | - | - | - | (7.0) |
| Refund on appeal for anti-trust fine | - | - | - | 1.0 |
| Provision for competition-related fine and settlements | - | - | - | (11.4) |
| | <u>-</u> | <u>56.2</u> | <u>-</u> | <u>46.1</u> |

(iii) Exceptional items comprise the following (continued):

During the period April to December 2014:

1. Tiger Airways became a subsidiary, resulting in the Group recording a gain of \$119.8 million which arose from the remeasurement of SIA's retained interest in Tiger Airways at fair value.
2. SIA Cargo recognised an impairment loss of \$63.6 million on its long-term investment of an equity stake of 16% in China Cargo Airlines to fully write down its carrying value, due to negative shareholders' equity, and continued operating losses incurred.
3. The Company recorded an additional gain of \$7.3 million on the sale of Virgin Atlantic Limited arising from certain post-closing adjustments.
4. SIA Cargo recorded an additional impairment loss of \$7.0 million on two surplus freighters that have been removed from the operating fleet, based on the sale price of the freighters.
5. In respect of the air cargo investigations by competition authorities, SIA Cargo's appeal against the Seoul High Court judgment to the Supreme Court was partially successful. As a result, in September 2014, the South Korean Fair Trade Commission refunded KRW793.2 million (\$1.0 million) to SIA Cargo, being part of the fine amount paid previously.
6. With regard to anti-trust litigation in the United States, SIA entered into a settlement agreement (with no admission of liability) with the plaintiffs in August 2014. In accordance with the agreement, SIA has made payment of USD9.2 million (\$11.4 million) into an escrow account. The court has entered an order finally approving the settlement, but the lone objector (to a number of settlements, including SIA's) has filed an appeal. Until that appeal is resolved, the money remains in escrow.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015 (in \$ million)**

| | The Group | | The Group | |
|--|------------------------------------|------------------------------------|---------------------|---------------------|
| | 3 rd Quarter 2015-16 | 3 rd Quarter 2014-15 | 9 Months 2015-16 | 9 Months 2014-15 |
| PROFIT FOR THE PERIOD | 297.1 | 214.7 | 617.8 | 364.2 |
| OTHER COMPREHENSIVE INCOME: | | | | |
| <u>Items that are or may be reclassified subsequently to profit or loss:</u> | | | | |
| Currency translation differences | (0.2) | 1.9 | (10.8) | (3.9) |
| Net fair value changes on available-for-sale financial assets | 152.4 | 0.1 | 144.9 | 61.1 |
| Adjustment on acquisition of an associated company | - | - | - | 15.0 |
| Net fair value changes on cash flow hedges | (104.4) | (785.1) | 10.4 | (907.9) |
| Surplus on dilution of interest in an associated company due to share options exercised | 0.3 | 1.4 | 0.3 | 1.6 |
| Share of other comprehensive income of associated and joint venture companies | (16.7) | (25.7) | (9.6) | (30.2) |
| Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company | (0.8) | - | (0.8) | - |
| Realisation of foreign currency translation reserves on liquidation of an associated company | 4.3 | - | 4.3 | (0.5) |
| Realisation of reserves on disposal of an associated company | - | 2.4 | - | 2.4 |
| <u>Items that will not be reclassified subsequently to profit or loss:</u> | | | | |
| Actuarial gain on revaluation of defined benefit plans | 1.2 | - | 1.2 | - |
| | <u>36.1</u> | <u>(805.0)</u> | <u>139.9</u> | <u>(862.4)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX | <u>333.2</u> | <u>(590.3)</u> | <u>757.7</u> | <u>(498.2)</u> |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| OWNERS OF THE PARENT | 284.2 | (604.9) | 685.3 | (540.5) |
| NON-CONTROLLING INTERESTS | 49.0 | 14.6 | 72.4 | 42.3 |
| | <u>333.2</u> | <u>(590.3)</u> | <u>757.7</u> | <u>(498.2)</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 2015 (in \$ million)

| | The Group | | The Company | |
|--|----------------|----------------|----------------|----------------|
| | 31-Dec 2015 | 31-Mar 2015 | 31-Dec 2015 | 31-Mar 2015 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | | | |
| Share capital | 1,856.1 | 1,856.1 | 1,856.1 | 1,856.1 |
| Treasury shares | (385.1) | (326.3) | (385.1) | (326.3) |
| Other reserves | 11,295.7 | 10,933.8 | 10,361.1 | 10,049.5 |
| | 12,766.7 | 12,463.6 | 11,832.1 | 11,579.3 |
| NON-CONTROLLING INTERESTS | 501.2 | 466.5 | - | - |
| TOTAL EQUITY | 13,267.9 | 12,930.1 | 11,832.1 | 11,579.3 |
| DEFERRED ACCOUNT | 238.8 | 141.7 | 209.5 | 115.1 |
| DEFERRED TAXATION | 1,654.5 | 1,599.6 | 1,343.4 | 1,325.5 |
| LONG-TERM LIABILITIES | 1,354.3 | 1,370.0 | 1,004.2 | 1,001.0 |
| PROVISIONS | 899.5 | 936.9 | 646.4 | 682.9 |
| DEFINED BENEFIT PLANS | 155.6 | 160.4 | 147.1 | 152.4 |
| | 17,570.6 | 17,138.7 | 15,182.7 | 14,856.2 |
| Represented by:- | | | | |
| PROPERTY, PLANT AND EQUIPMENT | | | | |
| Aircraft, spares and spare engines | 10,774.1 | 9,957.5 | 7,563.8 | 7,700.3 |
| Land and buildings | 199.1 | 209.4 | 56.0 | 59.9 |
| Others | 3,126.0 | 3,356.3 | 2,374.2 | 2,146.2 |
| | 14,099.2 | 13,523.2 | 9,994.0 | 9,906.4 |
| INTANGIBLE ASSETS | 518.9 | 497.6 | 168.1 | 159.4 |
| SUBSIDIARY COMPANIES | - | - | 3,983.2 | 3,364.7 |
| ASSOCIATED COMPANIES | 930.1 | 922.2 | 517.3 | 472.4 |
| JOINT VENTURE COMPANIES | 157.7 | 167.9 | - | - |
| LONG-TERM INVESTMENTS | 1,393.2 | 1,125.0 | 1,209.3 | 1,100.2 |
| OTHER RECEIVABLES | 174.9 | 163.9 | 20.6 | 17.9 |
| DEFERRED ACCOUNT | 6.2 | 56.4 | - | 36.3 |
| CURRENT ASSETS | | | | |
| Inventories | 186.6 | 202.0 | 110.8 | 131.7 |
| Trade debtors | 1,253.4 | 1,486.9 | 760.2 | 993.7 |
| Deposits and other debtors | 65.0 | 43.4 | 48.8 | 22.5 |
| Prepayments | 157.0 | 124.6 | 123.9 | 92.9 |
| Amounts owing by subsidiary companies | - | - | 302.9 | 311.5 |
| Investments | 459.2 | 168.6 | 394.0 | 102.7 |
| Derivative assets | 50.8 | 114.4 | 43.8 | 107.0 |
| Cash and bank balances | 4,340.2 | 5,254.1 | 3,719.3 | 4,646.5 |
| Assets held for sale | 71.1 | 71.0 | - | - |
| | 6,583.3 | 7,465.0 | 5,503.7 | 6,408.5 |
| Less: CURRENT LIABILITIES | | | | |
| Sales in advance of carriage | 1,561.9 | 1,464.7 | 1,381.1 | 1,328.6 |
| Deferred revenue | 650.4 | 612.5 | 650.4 | 612.5 |
| Current tax payable | 167.8 | 161.9 | 89.9 | 111.4 |
| Trade and other creditors | 2,676.6 | 2,906.5 | 2,038.4 | 2,088.6 |
| Amounts owing to subsidiary companies | - | - | 1,007.6 | 1,048.7 |
| Finance lease commitments | 29.5 | 54.1 | - | - |
| Loans | 88.5 | 93.0 | - | - |
| Notes payable | - | 300.0 | - | 300.0 |
| Provisions | 188.8 | 170.2 | 154.4 | 138.0 |
| Derivative liabilities | 929.4 | 1,019.6 | 891.7 | 981.8 |
| | 6,292.9 | 6,782.5 | 6,213.5 | 6,609.6 |
| NET CURRENT ASSETS/(LIABILITIES) | 290.4 | 682.5 | (709.8) | (201.1) |
| | 17,570.6 | 17,138.7 | 15,182.7 | 14,856.2 |

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 2015 | | As at 31 March 2015 | |
|------------------------|-----------|---------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$108.5M | \$9.5M | \$137.8M | \$309.3M |

Amount repayable after one year

| As at 31 December 2015 | | As at 31 March 2015 | |
|------------------------|------------|---------------------|------------|
| Secured | Unsecured | Secured | Unsecured |
| \$229.9M | \$1,028.5M | \$268.5M | \$1,023.9M |

Details of any collateral

The secured borrowings pertained to secured bank loans (\$279.2 million) and finance leases of aircraft (\$59.2 million). The secured bank loans are secured via assignment of the aircraft purchase agreement, assignment of engine warranty and credit agreement as well as mortgage of the aircraft.

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 2015 (in \$ million)**

| | The Group | | The Group | |
|--|------------------------------------|------------------------------------|---------------------|---------------------|
| | 3 rd Quarter 2015-16 | 3 rd Quarter 2014-15 | 9 Months 2015-16 | 9 Months 2014-15 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit before taxation | 362.9 | 239.8 | 729.2 | 386.3 |
| Adjustments for: | | | | |
| Depreciation | 369.3 | 384.2 | 1,152.1 | 1,116.5 |
| Impairment of property, plant and equipment | 0.8 | - | 9.0 | - |
| Amortisation of intangible assets | 7.8 | 6.4 | 23.6 | 19.3 |
| (Writeback)/Impairment of trade debtors | (5.0) | 0.6 | (3.8) | 2.1 |
| Writedown of inventories | 9.5 | 10.2 | 20.6 | 22.5 |
| Income from short-term investments | (0.2) | (0.2) | (1.4) | (1.3) |
| Provisions | 64.2 | 58.8 | 132.0 | 228.5 |
| Share-based compensation expense | 3.5 | 2.2 | 9.6 | 7.0 |
| Exchange differences | 4.0 | (26.9) | (28.4) | (22.8) |
| Amortisation of deferred gain on sale and operating leaseback transactions | (1.6) | (1.1) | (5.8) | (4.4) |
| Finance charges | 11.6 | 13.1 | 38.2 | 37.1 |
| Interest income | (21.2) | (21.6) | (60.2) | (55.4) |
| (Surplus)/Loss on disposal of aircraft, spares and spare engines | (53.3) | 2.8 | (50.7) | (51.3) |
| Dividends from long-term investments | (10.4) | (6.1) | (113.7) | (11.4) |
| Other non-operating items | 15.9 | (1.9) | 2.5 | (7.4) |
| Share of profits of joint venture companies | (10.4) | (9.3) | (16.4) | (42.9) |
| Share of (profits)/losses of associated companies | (7.1) | (14.3) | (0.9) | 108.6 |
| Exceptional items | - | (56.2) | - | (46.1) |
| Operating cash flow before working capital changes | 740.3 | 580.5 | 1,835.5 | 1,684.9 |
| Decrease in trade and other creditors | (434.0) | (205.7) | (443.7) | (368.7) |
| (Decrease)/Increase in sales in advance of carriage | (191.0) | (203.4) | 97.2 | (74.7) |
| Decrease in trade debtors | 178.6 | 121.2 | 249.5 | 282.9 |
| Increase in deposits and other debtors | (6.0) | (97.5) | (21.9) | (102.6) |
| Increase in prepayments | (15.1) | (17.5) | (32.5) | (42.0) |
| Increase in inventories | (4.6) | (6.1) | (5.2) | (1.3) |
| Increase in deferred revenue | 19.8 | 11.4 | 37.9 | 32.0 |
| Cash generated from operations | 288.0 | 182.9 | 1,716.8 | 1,410.5 |
| Payment of fines | - | (10.4) | - | (10.4) |
| Income taxes paid | (19.4) | (22.8) | (51.4) | (113.1) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 268.6 | 149.7 | 1,665.4 | 1,287.0 |

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015 (in \$ million)**

| | The Group | | The Group | |
|---|------------------------------------|------------------------------------|---------------------|---------------------|
| | 3 rd Quarter 2015-16 | 3 rd Quarter 2014-15 | 9 Months 2015-16 | 9 Months 2014-15 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Capital expenditure | (619.6) | (636.7) | (1,958.1) | (1,748.4) |
| Purchase of intangible assets | (11.9) | (8.0) | (34.0) | (22.6) |
| Proceeds from disposal of aircraft and other property, plant and equipment | 312.1 | 15.1 | 479.7 | 925.4 |
| Purchase of long-term investments | (149.5) | (17.2) | (277.0) | (330.3) |
| Proceeds from disposal of long-term investments | - | - | - | 9.8 |
| (Purchase of)/Proceeds from disposal of short-term investments | (171.2) | 78.5 | (133.9) | 137.3 |
| Dividends received from associated and joint venture companies | 11.9 | 24.7 | 49.3 | 76.8 |
| Dividends received from investments | 10.4 | 6.1 | 114.4 | 12.1 |
| Interest received from investments and deposits | 26.5 | 17.4 | 63.8 | 41.6 |
| Proceeds from liquidation of an associated company | - | - | - | 18.5 |
| Proceeds from disposal of an associated company | - | - | - | 7.3 |
| Proceeds from disposal of a subsidiary company, net of cash disposed | - | - | 0.1 | 8.9 |
| Acquisition of additional interest in a subsidiary company | - | - | - | (3.4) |
| Acquisition of a subsidiary company, net of cash acquired | - | 135.6 | - | 135.6 |
| Investment in associated companies | (27.9) | (26.2) | (70.5) | (33.2) |
| Investment in joint venture companies | - | (25.8) | - | (29.2) |
| Proceeds from partial disposal of an associated company | - | - | 4.9 | - |
| NET CASH USED IN INVESTING ACTIVITIES | (619.2) | (436.5) | (1,761.3) | (793.8) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Dividends paid | (116.3) | (58.4) | (315.4) | (481.2) |
| Dividends paid by subsidiary companies to non-controlling interests | (17.4) | (16.4) | (42.4) | (72.0) |
| Interest paid | (12.5) | (12.4) | (41.2) | (27.7) |
| Proceeds from borrowings | 2.8 | 1.8 | 4.4 | 6.4 |
| Repayment of borrowings | (9.9) | (29.0) | (28.4) | (29.0) |
| Repayment of long-term lease liabilities | (10.0) | (13.1) | (41.7) | (38.9) |
| Proceeds from exercise of share options | 2.4 | 4.6 | 20.5 | 35.3 |
| Proceeds from issuance of bonds | - | - | - | 500.0 |
| Repayment of bonds | - | - | (300.0) | - |
| Purchase of treasury shares | - | (27.6) | (85.4) | (107.0) |
| NET CASH USED IN FINANCING ACTIVITIES | (160.9) | (150.5) | (829.6) | (214.1) |
| NET CASH (OUTFLOW)/INFLOW | (511.5) | (437.3) | (925.5) | 279.1 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | | | | |
| | 4,872.8 | 5,603.6 | 5,254.1 | 4,883.9 |
| Effect of exchange rate changes | (21.1) | 22.6 | 11.6 | 25.9 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 4,340.2 | 5,188.9 | 4,340.2 | 5,188.9 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | | | | |
| Fixed deposits | 3,423.2 | 4,543.4 | 3,423.2 | 4,543.4 |
| Cash and bank | 917.0 | 645.5 | 917.0 | 645.5 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 4,340.2 | 5,188.9 | 4,340.2 | 5,188.9 |

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 2015 (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 October 2015 | 1,856.1 | (387.7) | 214.2 | (153.8) | 103.6 | (592.2) | 11,558.4 | 12,598.6 | 465.8 | 13,064.4 |
| <u>Comprehensive income</u> | | | | | | | | | | |
| Currency translation differences | - | - | - | 4.7 | - | - | - | 4.7 | (4.9) | (0.2) |
| Net fair value changes on available-for-sale assets | - | - | - | - | - | 118.8 | - | 118.8 | 33.6 | 152.4 |
| Net fair value changes on cash flow hedges | - | - | - | - | - | (102.5) | - | (102.5) | (1.9) | (104.4) |
| Surplus on dilution of interest in an associated company due to share options exercised | - | - | - | - | - | - | 0.3 | 0.3 | - | 0.3 |
| Share of other comprehensive income of associated and joint venture companies | - | - | - | - | - | (16.7) | - | (16.7) | - | (16.7) |
| Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company | - | - | - | - | - | (0.8) | - | (0.8) | - | (0.8) |
| Realisation of foreign currency translation reserves on liquidation of an associated company | - | - | - | 4.3 | - | - | - | 4.3 | - | 4.3 |
| Actuarial gain on revaluation of defined benefit plans | - | - | - | - | - | - | 1.2 | 1.2 | - | 1.2 |
| Other comprehensive income for the period | - | - | - | 9.0 | - | (1.2) | 1.5 | 9.3 | 26.8 | 36.1 |
| Profit for the period | - | - | - | - | - | - | 274.9 | 274.9 | 22.2 | 297.1 |
| Total comprehensive income for the period, net of tax | - | - | - | 9.0 | - | (1.2) | 276.4 | 284.2 | 49.0 | 333.2 |
| <u>Transactions with owners, recorded directly in equity</u> | | | | | | | | | | |
| <u>Contributions by and distributions to owners</u> | | | | | | | | | | |
| Share of other changes in equity of associated companies | - | - | (1.9) | - | - | - | - | (1.9) | - | (1.9) |
| Surplus on dilution of interest in subsidiary companies due to share options exercised | - | - | - | - | (0.4) | - | (3.3) | (3.7) | 3.8 | 0.1 |
| Share-based compensation expense | - | - | - | - | 3.5 | - | - | 3.5 | - | 3.5 |
| Share options lapsed | - | - | - | - | (0.6) | - | 0.6 | - | - | - |
| Treasury shares reissued pursuant to equity compensation plans | - | 2.6 | 0.5 | - | (0.8) | - | - | 2.3 | - | 2.3 |
| Dividends | - | - | - | - | - | - | (116.3) | (116.3) | (17.4) | (133.7) |
| Total transactions with owners | - | 2.6 | (1.4) | - | 1.7 | - | (119.0) | (116.1) | (13.6) | (129.7) |
| Balance at 31 December 2015 | <u>1,856.1</u> | <u>(385.1)</u> | <u>212.8</u> | <u>(144.8)</u> | <u>105.3</u> | <u>(593.4)</u> | <u>11,715.8</u> | <u>12,766.7</u> | <u>501.2</u> | <u>13,267.9</u> |

**STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014 (in \$ million)**

| The Group | Attributable to Owners of the Parent | | | | | | | | | |
|--|--------------------------------------|-----------------|-----------------|--------------------------------------|----------------------------------|--------------------|-----------------|-----------------|---------------------------|-----------------|
| | Share capital | Treasury shares | Capital reserve | Foreign currency translation reserve | Share-based compensation reserve | Fair value reserve | General reserve | Total | Non-controlling interests | Total equity |
| Balance at 1 October 2014 | 1,856.1 | (315.8) | 123.1 | (111.7) | 117.2 | (91.7) | 11,247.9 | 12,825.1 | 316.9 | 13,142.0 |
| Comprehensive Income | | | | | | | | | | |
| Currency translation differences | - | - | - | (0.6) | - | - | - | (0.6) | 2.5 | 1.9 |
| Net fair value changes on available-for-sale assets | - | - | - | - | - | 0.1 | - | 0.1 | - | 0.1 |
| Net fair value changes on cash flow hedges | - | - | - | - | - | (785.1) | - | (785.1) | - | (785.1) |
| Surplus on dilution of interest in associated companies due to share options exercised | - | - | - | - | - | - | 1.4 | 1.4 | - | 1.4 |
| Realisation of reserves on disposal of an associated company | - | - | - | (1.6) | - | 4.0 | - | 2.4 | - | 2.4 |
| Share of other comprehensive income of associated companies | - | - | - | - | (0.9) | (24.8) | - | (25.7) | - | (25.7) |
| Other comprehensive income for the period | - | - | - | (2.2) | (0.9) | (805.8) | 1.4 | (807.5) | 2.5 | (805.0) |
| Profit for the period | - | - | - | - | - | - | 202.6 | 202.6 | 12.1 | 214.7 |
| Total comprehensive income for the period, net of tax | - | - | - | (2.2) | (0.9) | (805.8) | 204.0 | (604.9) | 14.6 | (590.3) |
| Transactions with owners, recorded directly in equity | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | |
| Share of other changes in equity of associated companies | - | - | 81.6 | - | - | - | - | 81.6 | - | 81.6 |
| Surplus on dilution of interest in subsidiary companies due to share options exercised | - | - | - | - | (0.8) | - | (0.4) | (1.2) | 1.9 | 0.7 |
| Share-based compensation expense | - | - | - | - | 2.2 | - | - | 2.2 | - | 2.2 |
| Share options lapsed | - | - | - | - | (1.2) | - | 1.2 | - | - | - |
| Purchase of treasury shares | - | (27.6) | - | - | - | - | - | (27.6) | - | (27.6) |
| Treasury shares reissued pursuant to equity compensation plans | - | 4.8 | 0.3 | - | (1.2) | - | - | 3.9 | - | 3.9 |
| Dividends | - | - | - | - | - | - | (58.4) | (58.4) | (16.4) | (74.8) |
| Total contributions by and distributions to owners | - | (22.8) | 81.9 | - | (1.0) | - | (57.6) | 0.5 | (14.5) | (14.0) |
| Changes in ownership interests in subsidiaries | | | | | | | | | | |
| Acquisition of non-controlling interests | - | - | (0.1) | - | - | - | - | (0.1) | - | (0.1) |
| Unissued rights shares allotted to non-controlling interests of a subsidiary company | - | - | - | - | - | - | - | - | 100.5 | 100.5 |
| Total changes in ownership interests in subsidiaries | - | - | (0.1) | - | - | - | - | (0.1) | 100.5 | 100.4 |
| Total transactions with owners | - | (22.8) | 81.8 | - | (1.0) | - | (57.6) | 0.4 | 86.0 | 86.4 |
| Balance at 31 December 2014 | <u>1,856.1</u> | <u>(338.6)</u> | <u>204.9</u> | <u>(113.9)</u> | <u>115.3</u> | <u>(897.5)</u> | <u>11,394.3</u> | <u>12,220.6</u> | <u>417.5</u> | <u>12,638.1</u> |

**STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015 (in \$ million)**

| The Company | Share capital | Treasury shares | Capital reserve | Share-based compensation reserve | Fair value reserve | General reserve | Total |
|--|---------------|-----------------|-----------------|----------------------------------|--------------------|-----------------|----------|
| Balance at 1 October 2015 | 1,856.1 | (387.7) | (6.2) | 87.1 | (474.7) | 10,721.1 | 11,795.7 |
| <u>Comprehensive income</u> | | | | | | | |
| Net fair value changes on available-for-sale assets | - | - | - | - | 2.2 | - | 2.2 |
| Net fair value changes on cash flow hedges | - | - | - | - | (80.8) | - | (80.8) |
| Actuarial gain on revaluation of defined benefit plans | - | - | - | - | - | 1.2 | 1.2 |
| Other comprehensive income for the period | - | - | - | - | (78.6) | 1.2 | (77.4) |
| Profit for the period | - | - | - | - | - | 225.4 | 225.4 |
| Total comprehensive income for the period, net of tax | - | - | - | - | (78.6) | 226.6 | 148.0 |
| <u>Transactions with owners, recorded directly in equity</u> | | | | | | | |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Share-based compensation expense | - | - | - | 2.4 | - | - | 2.4 |
| Share options lapsed | - | - | - | (0.6) | - | 0.6 | - |
| Treasury shares reissued pursuant to equity compensation plans | - | 2.6 | 0.5 | (0.8) | - | - | 2.3 |
| Dividends | - | - | - | - | - | (116.3) | (116.3) |
| Total transactions with owners | - | 2.6 | 0.5 | 1.0 | - | (115.7) | (111.6) |
| Balance at 31 December 2015 | 1,856.1 | (385.1) | (5.7) | 88.1 | (553.3) | 10,832.0 | 11,832.1 |

**STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014 (in \$ million)**

| The Company | Share capital | Treasury shares | Capital reserve | Share-based compensation reserve | Fair value reserve | General reserve | Total |
|--|---------------|-----------------|-----------------|----------------------------------|--------------------|-----------------|----------|
| Balance at 1 October 2014 | 1,856.1 | (315.8) | (7.3) | 99.7 | (75.6) | 10,443.0 | 12,000.1 |
| <u>Comprehensive income</u> | | | | | | | |
| Net fair value changes on available-for-sale assets | - | - | - | - | (1.2) | - | (1.2) |
| Net fair value changes on cash flow hedges | - | - | - | - | (628.0) | - | (628.0) |
| Other comprehensive income for the period | - | - | - | - | (629.2) | - | (629.2) |
| Profit for the period | - | - | - | - | - | 138.9 | 138.9 |
| Total comprehensive income for the period, net of tax | - | - | - | - | (629.2) | 138.9 | (490.3) |
| <u>Transactions with owners, recorded directly in equity</u> | | | | | | | |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Share-based compensation expense | - | - | - | 1.4 | - | - | 1.4 |
| Share options lapsed | - | - | - | (1.2) | - | 1.2 | - |
| Purchase of treasury shares | - | (27.6) | - | - | - | - | (27.6) |
| Treasury shares reissued pursuant to equity compensation plans | - | 4.8 | 0.3 | (1.2) | - | - | 3.9 |
| Dividends | - | - | - | - | - | (58.4) | (58.4) |
| Total transactions with owners | - | (22.8) | 0.3 | (1.0) | - | (57.2) | (80.7) |
| Balance at 31 December 2014 | 1,856.1 | (338.6) | (7.0) | 98.7 | (704.8) | 10,524.7 | 11,429.1 |

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 October to December 2015, the Company did not issue any shares upon exercise of options pursuant to share options exercised under the Employee Share Option Plan, as treasury shares were transferred to the employees.

| Group and Company | Number of Shares | Share Capital (\$ million) |
|--|------------------|-------------------------------|
| Issued and fully paid share capital <u>Ordinary Shares</u> | | |
| Balance at 1 October 2015 | 1,199,851,018 | 1,856.1 |
| Shares issued pursuant to exercise of options during the period October to December 2015 | - | - |
| Balance at 31 December 2015 | 1,199,851,018 | 1,856.1 |

As at 31 December 2015, the number of ordinary shares in issue was 1,199,851,018 of which 36,409,145 were held by the Company as treasury shares (31 December 2014: 1,199,851,018 ordinary shares of which 31,610,918 were held as treasury shares). The share capital was \$1,856.1 million.

Employee Share Option Plan

As at 31 December 2015, the number of share options of the Company outstanding was 21,632,152 (31 December 2014: 26,701,229). During the period October to December 2015, 240,648 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. Treasury shares were transferred to the employees on exercise of these share options.

The movement of share options of the Company during the period October to December 2015 is as follows:

| Date of Grant | Balance at 01.10.2015 | Cancelled | Exercised | Balance at 31.12.2015 | Exercise price* | Expiry date |
|---------------|--------------------------|-----------|-----------|--------------------------|--------------------|-------------|
| 03.07.2006 | 4,417,899 | (19,475) | (240,648) | 4,157,776 | \$9.34 | 02.07.2016 |
| 02.07.2007 | 9,203,122 | (85,690) | - | 9,117,432 | \$15.46 | 01.07.2017 |
| 01.07.2008 | 8,437,694 | (80,750) | - | 8,356,944 | \$12.07 | 30.06.2018 |
| | 22,058,715 | (185,915) | (240,648) | 21,632,152 | | |

* 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. Following approval by the Company's shareholders of the declaration of a special dividend of \$0.25 per share on 30 July 2014, the Committee approved another reduction of \$0.25 in the exercise prices of the share options outstanding on 14 August 2014. 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 first approved by the shareholders of the Company on 28 July 2005 and expired on 27 July 2015. On 30 July 2014, the shareholders of the Company approved the RSP 2014 and PSP 2014, which replaced the RSP and PSP respectively.

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 2015, the number of outstanding shares granted under the Company's RSP and PSP were 1,692,528 (31 December 2014: 1,575,637) and 716,693 respectively (31 December 2014: 650,398).

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

| Date of Grant | Number of Restricted Shares | | |
|---------------|-----------------------------|--------|-----------------------|
| | Balance at 01.10.2015 | Vested | Balance at 31.12.2015 |
| RSP | | | |
| 10.07.2012 | 102,188 | - | 102,188 |
| 15.07.2013 | 186,175 | - | 186,175 |
| 03.07.2014 | 689,073 | - | 689,073 |
| 03.07.2015 | 715,092 | - | 715,092 |
| | 1,692,528 | - | 1,692,528 |

| Date of Grant | Number of Performance Shares | | |
|---------------|------------------------------|--------|-----------------------|
| | Balance at 01.10.2015 | Vested | Balance at 31.12.2015 |
| PSP | | | |
| 15.07.2013 | 228,425 | - | 228,425 |
| 03.07.2014 | 248,568 | - | 248,568 |
| 03.07.2015 | 239,700 | - | 239,700 |
| | 716,693 | - | 716,693 |

In addition, the Board Compensation & Industrial Relations Committee approved a special time-based RSP in FY2010-11 to be granted to senior management. 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 01.10.2015 | Vested | Balance at 31.12.2015 |
| RSP | | | |
| 07.05.2010 | 10,853 | (5,427) | 5,426 |

Deferred Share Award ("DSA")

One-off grants of Deferred Share Award of fully paid ordinary shares were granted to senior management. At the end of a 3-year vesting period, an additional final award will be vested equal to the Base Award multiplied by the accumulated dividend yield. The details of the Deferred Share Award are as follows:

| Date of Grant | Number of Deferred Share Award | | |
|---------------|--------------------------------|--------|-----------------------|
| | Balance at 01.10.2015 | Vested | Balance at 31.12.2015 |
| DSA | | | |
| 04.09.2013 | 154,557 | - | 154,557 |
| 28.08.2014 | 73,470 | - | 73,470 |
| 10.09.2015 | 74,790 | - | 74,790 |
| | 302,817 | - | 302,817 |

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 2015, the number of ordinary shares in issue was 1,199,851,018 of which 36,409,145 were held by the Company as treasury shares (31 December 2014: 1,199,851,018 ordinary shares of which 31,610,918 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 October to December 2015, the Company did not purchase any treasury shares (October to December 2014: 2,835,000).

The Company transferred 240,648 treasury shares to employees on exercise of share options and another 5,427 treasury shares on vesting of share-based incentive plans (October to December 2014: 448,402 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 2015 | 36,655,220 | (387.7) |
| Treasury shares transferred on exercise of share options | (240,648) | 2.5 |
| Treasury shares transferred on vesting of share-based incentive plans | (5,427) | 0.1 |
| Balance at 31 December 2015 | 36,409,145 | (385.1) |

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 2015. 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 2015 has no significant impact on the Group.

During the period, the Group revised the estimated useful lives of certain of its overhaul assets with effect from 1 April 2015, and the estimated useful lives and residual values of certain aircraft types with effect from 1 October 2015. The effect of the changes is a reduction in depreciation expense of approximately \$28.7 million for the quarter ended 31 December 2015 and approximately \$38.4 million for the nine months ended 31 December 2015.

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 | | | |
|----------------------------|------------------------------------|------------------------------------|---------------------|---------------------|
| | 3 rd Quarter 2015-16 | 3 rd Quarter 2014-15 | 9 Months 2015-16 | 9 Months 2014-15 |
| Earnings per share (cents) | | | | |
| - Basic | 23.6 | 17.3 | 49.7 | 28.0 |
| - Diluted | 23.5 | 17.2 | 49.5 | 27.8 |

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 15 | As at 31 Mar 15 | As at 31 Dec 15 | As at 31 Mar 15 |
| Net asset value per ordinary share (\$) | 10.97 | 10.66 | 10.17 | 9.90 |

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 Financial Year 2015-16

The Group recorded an operating profit of \$288 million in the October-December 2015 quarter, an improvement of \$141 million or 95.9% year-on-year.

Group revenue, at \$3,941 million, was driven down (\$158 million or 3.9%) by weaker yields from passenger and cargo operations, partially mitigated by higher carriage. Passenger yield declined 4.6% while cargo yield fell 13.5%.

Group expenditure was \$299 million or 7.6% lower at \$3,653 million, largely from a \$354 million reduction in net fuel costs, arising from a 41.1% drop in average jet fuel price (\$534 million), partially offset by the strengthening of the US Dollar against the Singapore Dollar (\$77 million), and hedging loss (\$72 million). 54.6% of the Group's fuel requirement for the quarter had been hedged at a weighted average price of USD96 per barrel. Ex-fuel costs went up \$55 million (2.2%), partly due to capacity expansion at SilkAir and Scoot.

Third Quarter Net Profit

Group net profit for the quarter was \$275 million, \$72 million or 35.5% higher than in the same period last year.

On top of an improved operating profit, there were higher gains from disposal of aircraft (\$56 million), primarily from SilkAir's sale and leaseback of four 737-800s (\$52 million) and SIA Cargo's disposal of a parked 747-400 freighter (\$10 million). These were partially offset by an absence of exceptional gains (\$56 million) recorded in the third quarter last financial year [see Note 1(a)(iii) above], higher tax expense (\$41 million), impairment of aircraft (\$9 million) and weaker performance of associated companies (\$7 million).

Third Quarter Operating Results of Main Companies

The operating results of the main companies in the Group for the third quarter of the financial year were as follows:

| <u>Operating Profit/(Loss)</u> | <u>3rd Quarter FY2015-16 \$ million</u> | <u>3rd Quarter FY2014-15 \$ million</u> |
|--------------------------------|---|---|
| Parent Airline Company | 181 | 87 |
| SIA Engineering | 29 | 24 |
| SilkAir | 33 | 18 |
| SIA Cargo | 2 | 17 |
| Scoot | 18 | (17) |
| Tiger Airways ¹ | 9 | 4 |

¹ Operating results differ from Tiger Airways' Q3FY2015-16 announcement on 22 January 2016, due to the reclassification of a non-operating item to expenditure.

The Parent Airline Company earned an operating profit of \$181 million in the third quarter, up \$94 million compared with the same period last year. The decline in total revenue (\$195 million) was more than offset by the reduction in total expenditure (\$289 million), which was largely attributable to a \$295 million drop in net fuel costs. Passenger flown revenue fell \$92 million (3.4%), primarily from a 4.3% contraction in yield, partially offset by higher carriage.

SIA Engineering's operating profit was \$5 million higher compared to last year. Revenue increased \$10 million from its fleet management programme and line maintenance services. Expenditure rose \$5 million, mainly due to higher material and staff costs, partially offset by a reduction in other expenses.

SilkAir earned an operating profit of \$33 million, almost doubling its result a year earlier. In addition to a \$13 million reduction in fuel costs, passenger flown revenue was up \$10 million from higher carriage, albeit at lower yield (3.5%). These were partially offset by higher staff costs, aircraft depreciation and lease rentals (\$9 million) associated with increased capacity.

SIA Cargo recorded a lower operating profit compared to the same quarter last year. Revenue contracted by \$36 million, largely on account of lower yield (13.5%) amidst industry overcapacity and the absence of port disruptions in the US and Manila last year, more than offsetting lower operating costs (\$21 million).

Scout recorded its best quarterly operating result since commencing operations, reaping benefits from its continued expansion and deployment of a more fuel-efficient 787 fleet. Revenue was boosted (\$32 million) by 37.0% growth in passenger carriage, though yield dipped 6.7% year-on-year. Lower fuel costs (\$10 million) more than offset the increase in other costs that followed its capacity injection.

Tiger Airways' operating profit was \$9 million, a \$5 million improvement compared to the same period last year. Total revenue was up \$3 million, mainly driven by higher lease rental income. Total expenditure fell \$2 million, with fuel cost savings being partly eroded by higher aircraft depreciation and rentals, and maintenance charges.

April to December 2015

For the nine months to December 2015, Group operating profit improved \$210 million (66.0%) to \$528 million. Revenue was \$167 million lower at \$11,519 million, due to weaker cargo and mail revenue, as well as revenue from engineering services, partially mitigated by income earned upon the release of seven A350-900 delivery slots back to Airbus². Group expenditure fell \$377 million, mainly attributable to lower net fuel costs (\$692 million), partly offset by the increase in other operating costs arising from SilkAir's and Scout's capacity expansion.

The operating results of the main companies in the Group for the nine months were as follows:

| Operating Profit/(Loss) | 9 months FY2015-16 \$ million | 9 months ³ FY2014-15 \$ million |
|----------------------------|-------------------------------------|--|
| Parent Airline Company | 387 | 270 |
| SIA Engineering | 77 | 61 |
| SilkAir | 59 | 23 |
| SIA Cargo | (10) | (17) |
| Scout | (4) | (61) |
| Tiger Airways ¹ | (1) | 4 |

² The agreement was signed with Airbus in the first quarter of FY2015-16 to release seven production slots for A350-900 aircraft that were originally planned for FY2017-18 and FY2018-19, reducing to 63 the number of A350-900s on firm order, while 20 purchase options remained unchanged.

³ The nine months FY2014-15 operating results incorporated Tiger Airways' results with effect from October 2015, when Tiger Airways became a subsidiary.

Group net profit was \$580 million, \$252 million higher against the same period last year, predominantly attributable to the higher operating profit. In addition, there were higher dividends received from long-term investments (\$102 million), and an absence of losses from associated companies (\$110 million) with the reclassification of Tiger Airways as a subsidiary, partially offset by higher tax expense (\$89 million), an absence of exceptional gains (\$46 million) [see Note 1(a)(iii) above], and weaker results from joint venture companies (\$27 million).

BALANCE SHEET REVIEW **(December 2015 vs March 2015)**

Equity attributable to owners of the parent increased by \$303 million or 2.4% to \$12,767 million as at 31 December 2015 largely due to profits for April – December 2015 (+\$580 million) and fair value movement on available-for-sale financial assets (+\$111 million), partially offset by payment of the final dividend in respect of FY2014-15 (-\$199 million) and interim dividend in respect of FY2015-16 (-\$116 million) and purchase of treasury shares (-\$85 million). The fair value movement on available-for-sale financial assets is mainly due to a fair value adjustment for SIA Engineering Group's interest in Hong Kong Aero Engine Services Ltd ("HAESL") that arose from the proposed divestment of its 10% stake in HAESL to Rolls-Royce Overseas Holdings and Hong Kong Aircraft Engineering Company Limited. The completion of this transaction is conditional upon the approval of relevant national competition authorities.

Total Group assets decreased by \$58 million or 0.2% to \$23,864 million. The decrease was mainly attributable to a decrease in cash balances (-\$914 million), trade debtors (-\$234 million) and derivative assets (-\$64 million), partially offset by increase in property, plant and equipment (+\$576 million) and investments (+\$559 million). The decrease in cash balances largely arose from capital expenditure (-\$1,958 million), redemption of the five-year retail bonds (-\$300 million), payment of final dividend in respect of FY2014-15 (-\$199 million) and interim dividend in respect of FY2015-16 (-\$116 million), partially funded by operational cash inflows (+\$1,665 million).

Total Group liabilities decreased by \$396 million or 3.6% to \$10,596 million as at 31 December 2015. The decrease was attributable to the repayment of the notes payable (-\$300 million), reduction in trade and other creditors (-\$230 million) and derivative liabilities (-\$90 million), partially offset by an increase in sales in advance of carriage (+\$97 million) and deferred account (+\$97 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 challenging operating environment is expected to persist, with travel demand remaining volatile, affected by economic forces and external events. On the competitive front, expansion of other full-service airlines as well as low-cost carriers, particularly in Southeast Asia, will continue to exert pressure on loads and yields. Supported by promotional activities, advance passenger bookings for the January-March quarter are positively tracking seat capacity.

The outlook for air cargo is cautious amid the prevailing industry overcapacity and tepid demand growth. SIA Cargo will continue to manage capacity to better match demand, and pursue higher-yielding product segments.

While more relief could arise from lower fuel prices, which have declined to a 12-year low, fuel continues to make up a significant portion of the Group's expenditure, with 46.6% of the Group's fuel requirement in the fourth quarter hedged at a weighted average price of USD90 per barrel⁴.

The Group will remain vigilant in adapting to market changes, drawing on the complementary strengths of the carriers in its portfolio and extensive partnerships with other airlines. With a strong balance sheet and its many strategic initiatives, the Group is well positioned to confront the challenges ahead.

⁴ The Group hedging position excludes Tiger Airways, which separately announced its fuel hedging position on 22 January 2016. Please refer to Tiger Airways' website for the relevant presentation slides.

SUBSEQUENT EVENT

The Company announced on 6 November 2015 a Voluntary Conditional General Offer (the "Offer") for the shares in Tiger Airways that Singapore Airlines (SIA) does not already own for a consideration comprising SGD0.41 per Tiger Airways' share (the "Offer Price") and options to subscribe for SIA shares, conditional upon SIA owning more than 90% of Tiger Airways by the close of the Offer. On 4 January 2016, the Offer Price was revised to SGD0.45 per share (the "Final Offer Price"). On 11 January 2016, the Company announced the waiver of the acceptance condition, and declared the Offer unconditional. Shareholders who accept the Offer would be paid the Final Offer Price of SGD0.45 per share, and issued a letter of grant in relation to the options to subscribe for SIA shares, within ten days of their valid acceptances being received. The closing date for the Offer is 5 February 2016 at 5:30 p.m. (or such later date as may be announced from time to time by or on behalf of SIA).

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 announcement.

(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/recommended, a statement to that effect.

No dividend has been declared/ recommended for the period ended 31 December 2015.

13 Interested Person Transactions

The aggregate values of all Interested Person Transactions ("IPTs") entered into during the third quarter of the Financial Year 2015-16 are as follows:

| Name of Interested Person | Aggregate value of all IPTs during the financial year 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) |
|--|---|---|
| | 3 rd Quarter 2015-16 (S\$) | 3 rd Quarter 2015-16 (S\$) |
| PT Bank Danamon Indonesia TBK | - | 181,095 |
| SATS Ltd Group | | |
| - Aero Laundry & Linen Services Private Limited | - | 2,928,194 |
| - Air India SATS Airport Services Private Limited | - | 1,887,578 |
| - Asia Airfreight Terminal Co Ltd | - | 1,988,569 |
| - Beijing Airport Inflight Kitchen Ltd | - | 1,229,987 |
| - Maldives Inflight Catering Private Limited | - | 838,661 |
| - PT Jasa Angkasa Semesta Tbk | - | 4,370,369 |
| - SATS HK Limited | - | 1,255,885 |
| - SATS Ltd | - | 170,869,352 |
| - SATS Security Services Private Limited | - | 5,691,806 |
| - Taj Madras Flight Kitchen Pvt Limited | - | 141,753 |
| - Taj SATS Air Catering Ltd | - | 1,124,958 |
| - TKF Corporation | - | 1,758,444 |
| SembCorp Industries Limited Group | | |
| - SembCorp Power Pte Ltd | - | 752,975 |
| Singapore Telecommunications Limited | - | 488,413 |
| Temasek Holdings (Private) Limited and Associates | | |
| - MediaCorp Pte Ltd | - | 123,109 |
| Total Interested Person Transactions | - | 195,631,148 |

By Order of the Board

Brenton Wu
Company Secretary
4 February 2016

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 2015 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

4 February 2016