



**AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009**

**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 FINANCIAL YEAR ENDED 31 MARCH 2009 (in \$ million)**

	The Group		The Group	
	4th Quarter 2008-09	4th Quarter 2007-08	2008-09	2007-08
<b>REVENUE</b>	3,321.3	4,107.2	15,996.3	15,972.5
<b>EXPENDITURE</b>				
Staff costs	569.2	796.1	2,545.9	2,903.4
Fuel costs	1,300.6	1,286.6	6,408.4	5,025.6
Depreciation	417.9	376.6	1,649.7	1,488.8
Impairment of property, plant and equipment	--	--	41.4	--
Amortisation of intangible assets	13.6	11.2	45.5	42.5
Aircraft maintenance and overhaul costs	81.6	97.4	381.6	430.9
Commission and incentives	67.6	100.8	394.5	434.4
Landing, parking and overflying charges	146.8	165.9	656.9	665.7
Handling charges	136.2	136.6	580.7	582.8
Rentals on leased aircraft	136.5	113.0	487.8	381.9
Material costs	143.0	66.7	385.3	322.1
Inflight meals	42.0	57.4	231.0	255.2
Advertising and sales costs	77.5	88.9	240.3	261.5
Insurance expenses	15.6	15.0	60.4	71.7
Company accommodation and utilities	51.0	48.7	187.2	175.3
Other passenger costs	36.4	35.8	146.7	137.8
Crew expenses	44.5	38.2	184.7	144.1
Other operating expenses	69.3	204.2	464.7	524.3
	<u>3,349.3</u>	<u>3,639.1</u>	<u>15,092.7</u>	<u>13,848.0</u>
<b>OPERATING (LOSS)/PROFIT</b>	(28.0)	468.1	903.6	2,124.5
Finance charges	(20.1)	(26.2)	(89.7)	(100.2)
Interest income	16.7	53.5	96.0	181.2
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(5.5)	41.7	60.6	49.1
Dividends from long-term investments, gross	1.6	4.2	23.7	34.8
Other non-operating items	11.9	36.9	29.4	96.8
Share of profits of joint venture companies	19.9	12.0	63.9	50.8
Share of (losses)/profits of associated companies	(106.2)	(6.0)	111.1	110.2
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	<u>(109.7)</u>	<u>584.2</u>	<u>1,198.6</u>	<u>2,547.2</u>
<b>TAXATION</b>				
Taxation expense	36.6	(35.8)	(190.0)	(410.3)
Adjustment for reduction in Singapore statutory tax rate	138.2	--	138.2	--
	<u>174.8</u>	<u>(35.8)</u>	<u>(51.8)</u>	<u>(410.3)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>65.1</u>	<u>548.4</u>	<u>1,146.8</u>	<u>2,136.9</u>
<b>PROFIT ATTRIBUTABLE TO:</b>				
<b>EQUITY HOLDERS OF THE COMPANY</b>	41.9	527.5	1,061.5	2,049.4
<b>MINORITY INTERESTS</b>	23.2	20.9	85.3	87.5
	<u>65.1</u>	<u>548.4</u>	<u>1,146.8</u>	<u>2,136.9</u>
<b>BASIC EARNINGS PER SHARE (CENTS)</b>	3.5	44.5	89.6	168.5
<b>DILUTED EARNINGS PER SHARE (CENTS)</b>	3.5	44.1	89.1	166.1

**Notes:**

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

	The Group		The Group	
	4th Quarter 2008-09	4th Quarter 2007-08	2008-09	2007-08
Interest income from short-term investments	(0.2)	(0.3)	(0.9)	(0.9)
Dividend income from short-term investments	(0.1)	(0.1)	(0.8)	(0.8)
Loss/(Surplus) on disposal of short-term investments	1.5	(29.2)	4.7	(36.7)
Surplus on disposal of non-current assets	(2.1)	--	(2.1)	--
Income from lease of aircraft	(2.2)	(7.8)	(10.5)	(36.8)
Amortisation of deferred gain on sale and operating leaseback transactions	(19.6)	(25.3)	(86.1)	(102.7)
Bad debts written off	1.3	0.3	2.4	1.1
Impairment/(writeback) of trade debtors	4.5	(1.4)	12.3	2.9
Writedown of inventories	22.7	22.0	22.7	22.0
Exchange (gain)/losses, net	(116.2)	39.1	(65.3)	117.7
Fuel hedging loss/(gain) recognised in "Fuel costs"	540.0	(134.3)	348.3	(232.2)
Ineffectiveness of fuel hedging contracts recognised in "Fuel costs"	3.4	(2.5)	4.0	(2.5)

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

	The Group		The Group	
	4th Quarter 2008-09	4th Quarter 2007-08	2008-09	2007-08
Recognition of liquidated damages	13.2	13.8	39.0	55.2
Surplus on disposal of other property, plant and equipment	0.3	22.7	1.8	40.2
Amortisation of deferred (loss)/gain on sale and finance leaseback transactions	(1.6)	0.4	(0.5)	1.4
Impairment of non-equity investments	--	--	(9.8)	--
Loss on disposal of non-equity investments	--	--	(1.1)	--
	<u>11.9</u>	<u>36.9</u>	<u>29.4</u>	<u>96.8</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.**

**BALANCE SHEETS AS AT 31 MARCH 2009 (in \$ million)**

	The Group		The Company	
	31-Mar 2009	31-Mar 2008	31-Mar 2009	31-Mar 2008
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>				
Share capital	1,684.8	1,682.0	1,684.8	1,682.0
Treasury shares	(44.4)	(33.2)	(44.4)	(33.2)
Capital reserve	86.3	95.6	(3.7)	--
Foreign currency translation reserve	(137.9)	(130.7)	--	--
Share-based compensation reserve	187.3	136.4	135.0	98.6
Fair value reserve	(660.8)	443.4	(496.0)	198.6
General reserve	12,815.3	12,931.7	11,623.3	11,589.7
	13,930.6	15,125.2	12,899.0	13,535.7
<b>MINORITY INTERESTS</b>	559.8	503.7	--	--
<b>TOTAL EQUITY</b>	14,490.4	15,628.9	12,899.0	13,535.7
<b>DEFERRED ACCOUNT</b>	673.9	787.3	582.3	660.0
<b>DEFERRED TAXATION</b>	2,222.0	2,542.1	1,815.9	2,101.9
<b>LONG-TERM LIABILITIES</b>	1,513.5	1,689.4	988.1	966.1
	18,899.8	20,647.7	16,285.3	17,263.7
Represented by:-				
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Aircraft, spares and spare engines	13,042.5	13,182.2	10,670.1	10,708.5
Land and buildings	732.6	729.3	119.0	132.2
Others	2,217.3	2,562.6	1,780.1	2,218.3
	15,992.4	16,474.1	12,569.2	13,059.0
<b>INTANGIBLE ASSETS</b>	553.0	106.6	64.9	79.0
<b>INVESTMENT PROPERTIES</b>	7.0	--	--	--
<b>SUBSIDIARY COMPANIES</b>	--	--	1,780.8	1,780.8
<b>ASSOCIATED COMPANIES</b>	855.3	1,121.0	1,719.8	1,722.2
<b>JOINT VENTURE COMPANIES</b>	127.5	95.1	--	--
<b>LONG-TERM INVESTMENTS</b>	43.2	43.3	18.8	18.9
<b>OTHER NON-CURRENT ASSETS</b>	403.6	361.8	391.6	353.6
<b>CURRENT ASSETS</b>				
Inventories	503.2	507.7	338.7	406.3
Trade debtors	1,485.5	2,043.8	994.9	1,433.4
Deposits and other debtors	241.9	73.1	207.6	37.7
Prepayments	101.9	104.9	77.8	90.2
Amounts owing by subsidiary companies	--	--	284.6	227.4
Amounts owing by associated companies	0.4	0.5	--	--
Investments	655.6	464.3	587.6	360.9
Cash and bank balances	3,848.0	5,119.0	3,458.0	4,216.7
	6,836.5	8,313.3	5,949.2	6,772.6
Less:- <b>CURRENT LIABILITIES</b>				
Sales in advance of carriage	1,143.6	1,680.3	1,111.6	1,647.0
Deferred revenue	500.8	435.7	500.8	435.7
Current tax payable	348.0	415.1	272.6	282.7
Trade and other creditors	3,581.5	3,233.6	2,692.0	2,383.8
Amounts owing to subsidiary companies	--	--	1,597.8	1,729.1
Amounts owing to associated companies	0.6	1.2	--	--
Finance lease commitments	66.9	56.9	--	--
Loans	32.7	0.6	--	--
Notes payable	200.0	--	--	--
Other liabilities	35.3	44.1	26.7	44.1
Bank overdrafts	9.3	--	7.5	--
	5,918.7	5,867.5	6,209.0	6,522.4
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	917.8	2,445.8	(259.8)	250.2
	18,899.8	20,647.7	16,285.3	17,263.7

**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 March 2009		As at 31 March 2008	
Secured	Unsecured	Secured	Unsecured
\$78.3M	\$230.6M	\$57.0M	\$0.5M

Amount repayable after one year

As at 31 March 2009		As at 31 March 2008	
Secured	Unsecured	Secured	Unsecured
\$489.9M	\$903.0M	\$495.8M	\$1,103.4M

Details of any collateral

\$0.1 million of the secured borrowings by SIAEC are secured by equipment and vehicles and are repayable within a year. \$26.1 million of the secured borrowings obtained by SATS Group pertaining to finance lease commitments, bank loans and overdraft are secured by property, plant and equipment and other assets, of which \$12.2 million is repayable within one year. In addition, \$542.0 million of secured borrowings pertained to finance leases of 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 CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (in \$ million)**

	The Group	
	2008-09	2007-08
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,198.6	2,547.2
Adjustments for:-		
Depreciation	1,649.7	1,488.8
Impairment of property, plant and equipment	41.4	--
Amortisation of intangible assets	45.5	42.5
Impairment of trade debtors	12.3	2.9
Income from short-term investments	(1.7)	(1.7)
Share-based compensation expense	68.6	73.9
Exchange differences	(3.4)	(6.7)
Amortisation of deferred gain on sale and operating leaseback transactions	(86.1)	(102.7)
Finance charges	89.7	100.2
Interest income	(96.0)	(181.2)
Surplus on disposal of aircraft, spares and spare engines	(60.6)	(49.1)
Surplus on disposal of non-current assets	(2.1)	--
Dividends from long-term investments, gross	(23.7)	(34.8)
Other non-operating items	(29.4)	(96.8)
Share of profits of joint venture companies	(63.9)	(50.8)
Share of profits of associated companies	(111.1)	(110.2)
Operating profit before working capital changes	2,627.8	3,621.5
(Decrease)/Increase in trade and other creditors	(516.5)	203.3
(Increase)/Decrease in short term investments	(221.6)	104.8
(Decrease)/Increase in sales in advance of carriage	(536.7)	287.4
Decrease in trade debtors	428.6	71.6
(Increase)/Decrease in deposits and other debtors	(160.3)	55.6
Decrease/(Increase) in prepayments	3.0	(18.8)
Decrease in inventories	56.5	26.4
Increase in deferred revenue	65.1	47.4
Decrease in amounts owing by associated companies	0.1	1.4
(Decrease)/Increase in amounts owing to associated companies	(0.6)	1.2
Cash generated from operations	1,745.4	4,401.8
Income taxes paid	(300.0)	(196.3)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,445.4</b>	<b>4,205.5</b>

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (in \$ million)**

	The Group	
	2008-09	2007-08
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(2,031.1)	(2,088.6)
Purchase of intangible assets	(21.6)	(47.6)
Proceeds from disposal of aircraft and other property, plant and equipment	893.3	515.1
Proceeds from sale of non-equity investments	13.6	--
Investments in associated companies	--	(7.6)
Investments in companies pending incorporation	(3.9)	(8.2)
Acquisition of minority interests	(0.6)	--
Acquisition of subsidiary companies, net of cash acquired	(457.8)	(1.5)
Repayment of loans by associated companies	2.8	0.8
Proceeds from disposal of shares in a subsidiary company	0.3	--
Proceeds from disposal of non-current assets	5.2	--
Dividends received from associated and joint venture companies	134.3	111.4
Dividends received from investments	24.5	35.6
Interest received from investments and deposits	84.6	177.0
Interest received on loans to associated companies	9.8	12.5
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,346.6)</b>	<b>(1,301.1)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,185.8)	(1,313.2)
Dividends paid by subsidiary companies to minority interests	(74.4)	(56.4)
Interest paid	(69.8)	(82.2)
Proceeds from borrowings	1.9	1.5
Repayment of borrowings	(15.2)	(114.0)
Repayment of long-term lease liabilities	(54.8)	(56.4)
Proceeds from issuance of share capital by subsidiary companies to minority interests	8.8	1.1
Proceeds from exercise of share options	50.6	356.6
Capital reduction	--	(1,556.3)
Proceeds from issuance of shares	--	20.2
Purchase of treasury shares	(64.1)	(33.2)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,402.8)</b>	<b>(2,832.3)</b>
<b>NET CASH (OUTFLOW)/INFLOW</b>	<b>(1,304.0)</b>	<b>72.1</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>5,119.0</b>	<b>5,093.7</b>
Effect of exchange rate changes	23.7	(46.8)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>3,838.7</b>	<b>5,119.0</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Fixed deposits	3,540.8	4,723.7
Cash and bank	307.2	395.3
Bank overdrafts	(9.3)	--
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>3,838.7</b>	<b>5,119.0</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.**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (in \$ million)**

The Group	Attributable to Equity Holders of the Company									
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Minority interests	Total equity
Balance at 1 April 2008	1,682.0	(33.2)	95.6	(130.7)	136.4	443.4	12,931.7	15,125.2	503.7	15,628.9
Currency translation differences	--	--	--	(7.2)	--	--	--	(7.2)	15.8	8.6
Net fair value changes on available-for-sale assets	--	--	--	--	--	(5.9)	--	(5.9)	--	(5.9)
Net fair value changes on cash flow hedges	--	--	--	--	--	(855.6)	--	(855.6)	--	(855.6)
Share of associated companies' fair value reserve	--	--	--	--	--	(242.7)	--	(242.7)	--	(242.7)
Share of associated companies' capital reserve	--	--	(5.6)	--	--	--	--	(5.6)	--	(5.6)
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	(6.4)	--	6.8	0.4	8.4	8.8
Net income and expense not recognised in the profit and loss account	--	--	(5.6)	(7.2)	(6.4)	(1,104.2)	6.8	(1,116.6)	24.2	(1,092.4)
Profit for the financial year	--	--	--	--	--	--	1,061.5	1,061.5	85.3	1,146.8
Net income and expense recognised for the financial year	--	--	(5.6)	(7.2)	(6.4)	(1,104.2)	1,068.3	(55.1)	109.5	54.4
Issuance of share capital by subsidiary companies	--	--	--	--	--	--	--	--	8.8	8.8
Acquisition of shares in a subsidiary company	--	--	--	--	--	--	--	--	15.2	15.2
Acquisition of minority interests	--	--	--	--	--	--	--	--	(3.3)	(3.3)
Disposal of shares in a subsidiary company	--	--	--	--	--	--	--	--	0.3	0.3
Share-based compensation expense	--	--	--	--	68.6	--	--	68.6	--	68.6
Share options exercised	2.8	--	--	--	(0.2)	--	--	2.6	--	2.6
Share options lapsed	--	--	--	--	(1.1)	--	1.1	--	--	--
Purchase of treasury shares	--	(64.1)	--	--	--	--	--	(64.1)	--	(64.1)
Treasury shares reissued pursuant to equity compensation plans	--	52.9	(3.7)	--	(10.0)	--	--	39.2	--	39.2
Dividends	--	--	--	--	--	--	(1,185.8)	(1,185.8)	(74.4)	(1,260.2)
Balance at 31 March 2009	1,684.8	(44.4)	86.3	(137.9)	187.3	(660.8)	12,815.3	13,930.6	559.8	14,490.4

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008 (in \$ million)**

The Group	Attributable to Equity Holders of the Company								Total	Minority 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 April 2007	1,494.9	--	44.9	(59.5)	97.3	(45.5)	13,567.9	15,100.0	443.3	15,543.3	
Currency translation differences	--	--	--	(71.2)	--	--	--	(71.2)	(12.4)	(83.6)	
Net fair value changes on available-for-sale assets	--	--	--	--	--	(26.9)	--	(26.9)	--	(26.9)	
Net fair value changes on cash flow hedges	--	--	--	--	--	291.6	--	291.6	--	291.6	
Share of associated companies' fair value reserve	--	--	--	--	--	224.2	--	224.2	--	224.2	
Share of associated companies' capital reserve	--	--	50.7	--	--	--	--	50.7	--	50.7	
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	(11.9)	--	27.0	15.1	40.6	55.7	
Net income and expense not recognised in the profit and loss account	--	--	50.7	(71.2)	(11.9)	488.9	27.0	483.5	28.2	511.7	
Profit for the financial year	--	--	--	--	--	--	2,049.4	2,049.4	87.5	2,136.9	
Net income and expense recognised for the financial year	--	--	50.7	(71.2)	(11.9)	488.9	2,076.4	2,532.9	115.7	2,648.6	
Issuance of share capital by subsidiary companies	--	--	--	--	--	--	--	--	1.1	1.1	
Share-based compensation expense	--	--	--	--	73.9	--	--	73.9	--	73.9	
Share options exercised	322.8	--	--	--	(21.9)	--	--	300.9	--	300.9	
Share options lapsed	--	--	--	--	(1.0)	--	1.0	--	--	--	
Capital reduction	(155.9)	--	--	--	--	--	(1,400.4)	(1,556.3)	--	(1,556.3)	
Shares issued	20.2	--	--	--	--	--	--	20.2	--	20.2	
Purchase of treasury shares	--	(33.2)	--	--	--	--	--	(33.2)	--	(33.2)	
Dividends	--	--	--	--	--	--	(1,313.2)	(1,313.2)	(56.4)	(1,369.6)	
Balance at 31 March 2008	1,682.0	(33.2)	95.6	(130.7)	136.4	443.4	12,931.7	15,125.2	503.7	15,628.9	



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (in \$ million)**

The Company	Share capital	Treasury shares	Capital Reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2008	1,682.0	(33.2)	--	98.6	198.6	11,589.7	13,535.7
Net fair value changes on available-for-sale assets	--	--	--	--	(1.5)	--	(1.5)
Net fair value changes on cash flow hedges	--	--	--	--	(693.1)	--	(693.1)
Net expense not recognised in the profit and loss account	--	--	--	--	(694.6)	--	(694.6)
Profit for the financial year	--	--	--	--	--	1,218.7	1,218.7
Net income and expense recognised for the financial year	--	--	--	--	(694.6)	1,218.7	524.1
Share-based compensation expense	--	--	--	47.3	--	--	47.3
Share options exercised	2.8	--	--	(0.2)	--	--	2.6
Share options lapsed	--	--	--	(0.7)	--	0.7	--
Purchase of treasury shares	--	(64.1)	--	--	--	--	(64.1)
Treasury shares reissued pursuant to equity compensation plans	--	52.9	(3.7)	(10.0)	--	--	39.2
Dividends	--	--	--	--	--	(1,185.8)	(1,185.8)
Balance at 31 March 2009	<u>1,684.8</u>	<u>(44.4)</u>	<u>(3.7)</u>	<u>135.0</u>	<u>(496.0)</u>	<u>11,623.3</u>	<u>12,899.0</u>

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008 (in \$ million)**

The Company	Share capital	Treasury shares	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2007	1,494.9	--	71.2	(18.1)	12,544.1	14,092.1
Net fair value changes on available-for-sale assets	--	--	--	(22.3)	--	(22.3)
Net fair value changes on cash flow hedges	--	--	--	239.0	--	239.0
Net income not recognised in the profit and loss account	--	--	--	216.7	--	216.7
Profit for the financial year	--	--	--	--	1,758.8	1,758.8
Net income recognised for the financial year	--	--	--	216.7	1,758.8	1,975.5
Share-based compensation expense	--	--	49.7	--	--	49.7
Share options exercised	322.8	--	(21.9)	--	--	300.9
Share options lapsed	--	--	(0.4)	--	0.4	--
Capital reduction	(155.9)	--	--	--	(1,400.4)	(1,556.3)
Shares issued	20.2	--	--	--	--	20.2
Purchase of treasury shares	--	(33.2)	--	--	--	(33.2)
Dividends	--	--	--	--	(1,313.2)	(1,313.2)
Balance at 31 March 2008	<u>1,682.0</u>	<u>(33.2)</u>	<u>98.6</u>	<u>198.6</u>	<u>11,589.7</u>	<u>13,535.7</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 SHARE PLANS IN THE COMPANY**

#### Share Capital

During the financial year, the Company issued 213,643 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 April 2008	1,186,334,147	1,682.0
Shares issued pursuant to share options exercised during the financial year	213,643	2.8
Balance at 31 March 2009	1,186,547,790	1,684.8

As at 31 March 2009, the number of ordinary shares in issue was 1,186,547,790, of which 3,907,198 were held by the Company as treasury shares. The share capital was \$1,684.8 million. (31 March 2008 : 1,186,334,147 ordinary shares of which 2,301,000 were held as treasury shares.)

### Employee Share Option Plan

As at 31 March 2009, the number of share options of the Company outstanding was 63,383,492 (31 March 2008: 56,670,796).

During the financial year, 3,631,476 shares 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 financial year is as follows :

Date of Grant	Balance at 01.04.2008	Granted during 01.04.2008 to 31.03.2009	Cancelled during 01.04.2008 to 31.03.2009	Exercised during 01.04.2008 to 31.03.2009	Balance at 31.3.2009	Exercise price	Exercisable period
28.03.2000	4,943,581	-	(459,000)	(147,250)	4,337,331	\$14.84*	27.03.2010
03.07.2000	5,168,825	-	(552,780)	(10,600)	4,605,445	\$16.15*	02.07.2010
02.07.2001	2,710,618	-	(217,600)	(176,600)	2,316,418	\$11.46*	01.07.2011
01.07.2002	3,995,176	-	(239,050)	(350,015)	3,406,111	\$12.32*	30.06.2012
01.07.2003	2,986,378	-	(119,225)	(342,777)	2,524,376	\$9.84*	30.06.2013
01.07.2004	4,772,140	-	(66,025)	(486,428)	4,219,687	\$10.20*	30.06.2014
01.07.2005	8,211,437	-	(116,404)	(653,369)	7,441,664	\$10.78*	30.06.2015
03.07.2006	11,794,466	-	(193,321)	(1,464,437)	10,136,708	\$12.10*	02.07.2016
02.07.2007	12,088,175	-	(335,255)	-	11,752,920	\$18.22*	01.07.2017
01.07.2008	-	12,836,062	(193,230)	-	12,642,832	\$14.83	30.06.2018
	56,670,796	12,836,062	(2,491,890)	(3,631,476)	63,383,492		

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

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 120% of the initial grant of the restricted shares and between 0% and 150% of the initial grant of the performance shares.

As at 31 March 2009, the number of outstanding shares granted under the Company's RSP and PSP were 1,287,203 (31 March 2008: 788,310) and 524,853 respectively (31 March 2008: 302,653).

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

Number of Restricted Shares						
Date of grant	Balance at 01.4.2008	Granted during 01.04.2008 to 31.03.2009	Adjustment #	Vested	Cancelled	Balance at 31.3.2009
<b>RSP</b>						
27.7.2006	260,505	-	41,226	(152,969)	(9,013)	139,749
1.8.2007	527,805	-	-	-	(30,963)	496,842
1.7.2008	-	676,424	-	-	(25,812)	650,612
	788,310	676,424	41,226	(152,969)	(65,788)	1,287,203

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

Number of Performance Shares			
Date of grant	Balance at 01.4.2008	Granted during 01.04.2008 to 31.03.2009	Balance at 31.3.2009
<b>PSP</b>			
27.7.2006	144,701	-	144,701
1.8.2007	157,952	-	157,952
1.7.2008	-	222,200	222,200
	302,653	222,200	524,853

**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 March 2009, the total number of issued ordinary shares was 1,186,547,790, of which 3,907,198 were held by the Company as treasury shares. (31 March 2008 : 1,186,334,147 ordinary shares of which 2,301,000 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 financial year, the Company purchased 5,177,000 (2007-08 : 2,301,000) of its ordinary shares by way of on-market purchases at share prices ranging from \$9.48 - \$16.07. The total amount paid to purchase the shares was \$64.1 million (2007-08 : \$33.2 million).

In addition, the Company transferred 3,417,833 of the treasury shares to employees on exercise of share options and another 152,969 on vesting of share awards plan. Treasury shares are presented as a component within equity attributable to equity holders of the Company.

	Number of Shares	Treasury Shares (\$ million)
Group and Company		
Balance at 1 April 2008	2,301,000	(33.2)
Purchase of treasury shares	5,177,000	(64.1)
Treasury shares transferred on exercise of share options	(3,417,833)	50.6
Treasury shares transferred on vesting of share awards plan	(152,969)	2.3
Balance at 31 March 2009	3,907,198	(44.4)

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

The figures have been audited in accordance with Singapore Standards on Auditing.

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

See attached auditor's report.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2008 except for 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 2008. The adoption of these FRS and INT FRS has no significant impact to the Group.

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

Not applicable.

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

	The Group		The Group	
	4th Quarter 2008-09	4th Quarter 2007-08	2008-09	2007-08
Earnings per share (cents)				
- Basic	3.5	44.5	89.6	168.5
- Diluted	3.5	44.1	89.1	166.1

**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 Mar 09	As at 31 Mar 08	As at 31 Mar 09	As at 31 Mar 08
Net asset value per ordinary share (\$)	11.78	12.77	10.91	11.43

**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**

### Financial Year 2008-09

The Group earned a net profit attributable to equity holders of \$1,062 million for the financial year ended 31 March 2009, \$988 million or 48.2% lower than the preceding year. The earnings for the year included a one-off writeback of \$138 million in prior years' deferred tax liabilities following a reduction in the Singapore corporate tax rate from 18% to 17%.

The Group operating profit for the year was \$904 million, a decline of \$1,221 million (-57.5%) from last year; \$496 million of this decline was registered in the last quarter. The Group turned in an operating loss of \$28 million in the fourth quarter, in contrast to the \$468 million operating profit in the same period last year. The results reflect the severe deterioration in operating conditions in the fourth quarter.

The Parent Airline Company turned in an operating profit of \$823 million for the financial year, \$821 million (-49.9%) lower year-on-year. The operating results of the major subsidiary companies are as follows:

- SATS Group \* Profit of \$ 171 million (-2.0%)
- SIA Engineering Profit of \$ 113 million (+9.4%)
- SilkAir Profit of \$ 34 million (-16.0%)
- SIA Cargo Loss of \$ 245 million (profit of \$132 million previously)

\* Inclusive of acquisitions in FY2008-09

### Fourth Quarter 2008-09

Group revenue fell 19.1% (-\$786 million) to \$3,321 million, as the decline in passenger and cargo carriage accelerated in the fourth quarter.

Group expenditure was 8.0% (-\$290 million) lower, largely on better cost control. Non-fuel expenditure was \$304 million (-12.9%) lower than the same period last year.

The price of jet fuel corrected from its peak of USD171/BBL recorded in July 2008, averaging USD61/BBL in the fourth quarter. While lower fuel prices reduced expenditure on fuel by \$666 million, this was offset by losses in hedging of \$543 million. The hedging losses included \$112 million losses resulting from the early termination of several fuel hedging contracts before maturity date.

With revenue contracting at a faster pace than reduction in expenditure, the Group recorded an operating loss of \$28 million in the fourth quarter.

Including non-operating items and taxes, net profit attributable to equity holders amounted to \$42 million for the fourth quarter, a decline of \$486 million (-92.1%) from the same period in the previous year. A writeback of \$138 million for deferred tax liabilities in respect of prior years was made in the quarter following a reduction in the Singapore corporate tax rate from 18% to 17%.

### **BALANCE SHEET REVIEW**

Equity attributable to equity holders of the company dropped by \$1,194.6 million or 7.9% to \$13,930.6 million as at 31 March 2009, arising mainly from the payment of dividends during the year (-\$1,185.8 million) and decrease in fair value reserve of \$1,104.2 million. The fall in fair value reserve was a result of fair value losses incurred on outstanding fuel hedging contracts following the decline in fuel prices, net of fair value gains made on outstanding foreign currency hedging contracts. The reduction in equity was, however, partially offset by the profit earned for the financial year.

Total Group assets were lower by \$1,696.7 million or 6.4% as compared to the last financial year. The decrease was attributable to a reduction in the cash and bank balances (-\$1,271.0 million) mainly due to payment of dividends. Trade debtors balance also fell by \$558.3 million consequent to revaluation of fuel hedging contracts. On the other hand, the Group's acquisition of a new subsidiary, Singapore Food Industries Limited, resulted in an increase in the Group's intangible assets of \$470.7 million, which partly offset the reduction in total assets.

Total Group liabilities reduced by \$558.2 million or 5.1% to \$10,328.1 million as at 31 March 2009 primarily from a drop in sales in advance of carriage of \$536.7 million and a decrease in deferred taxation of \$320.1 million. This was partially offset by an increase in trade and other creditors of \$347.9 million, attributable to fair value losses on outstanding fuel hedges.

### **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 the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**OUTLOOK**

Advance bookings indicate that the drop in demand for air travel is leveling out. However, the probability of a sustained recovery has been set back by uncertainties arising from the Influenza A epidemic.

In the near term, promotional pricing and reduced business travel will keep revenue under pressure. On the other hand, with price of jet fuel currently at less than half what it was during last year's peak – albeit still high historically – there will be relief for expenditure. The savings will be offset by progressive settlement of fuel hedges contracted at higher prices, but the consequential effect of these hedges will tail off over the next twelve months.

Action taken to trim excess capacity, together with a strong balance sheet, will help to sustain the Company through the downturn. With the cooperation of the employees and the unions, several measures have been implemented to manage surplus resources. Efforts to improve efficiency and productivity, and to eliminate wastage and duplication, are ongoing.

**11 Dividend**

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

**Any dividend declared for the current financial period reported on? Yes.**

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share	20.0 cents per ordinary share	20.0 cents per ordinary share

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

**Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.**

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share	20.0 cents per ordinary share	80.0 cents per ordinary share

**(c) Date payable**

The final dividend, if so approved by shareholders, will be paid on 28 August 2009.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the final dividend being obtained at the Thirty-Seventh Annual General Meeting to be held on 31 July 2009, the Transfer Books and the Register of Members of the Company will be closed on 18 August 2009 for the preparation of dividend warrants.

Duly completed and stamped transfers (together with all relevant documents of or evidencing title) received by the Share Registrar, M & C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to 5.00 p.m. on 17 August 2009 will be registered to determine shareholders' entitlements to the final dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 17 August 2009 will be entitled to the final dividend.

The final dividend, if so approved by shareholders, will be paid on 28 August 2009.

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

Not applicable.

**13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**SEGMENT INFORMATION BY BUSINESS SEGMENTS (in \$ million)**

	Airline Operations		Airport terminal and food operations		Engineering services		Others		Total of segments		Elimination*		Consolidated	
	08-09	07-08	08-09	07-08	08-09	07-08	08-09	07-08	08-09	07-08	08-09	07-08	08-09	07-08
<b>TOTAL REVENUE</b>														
External revenue	15,126.1	15,263.9	451.2	338.2	358.5	289.7	60.5	80.7	15,996.3	15,972.5	-	-	15,996.3	15,972.5
Inter-segment revenue	51.2	50.6	610.9	619.8	686.8	719.9	133.4	126.6	1,482.3	1,516.9	(1,482.3)	(1,516.9)	-	-
	<u>15,177.3</u>	<u>15,314.5</u>	<u>1,062.1</u>	<u>958.0</u>	<u>1,045.3</u>	<u>1,009.6</u>	<u>193.9</u>	<u>207.3</u>	<u>17,478.6</u>	<u>17,489.4</u>	<u>(1,482.3)</u>	<u>(1,516.9)</u>	<u>15,996.3</u>	<u>15,972.5</u>
<b>RESULTS</b>														
Segment result	610.6	1,845.3	170.9	174.3	112.6	102.9	10.8	25.1	904.9	2,147.6	(1.3)	(23.1)	903.6	2,124.5
Finance charges	(87.9)	(106.7)	(6.7)	(6.1)	-	-	-	-	(94.6)	(112.8)	4.9	12.6	(89.7)	(100.2)
Interest income	99.0	178.2	6.9	15.7	3.9	9.8	0.9	2.6	110.7	206.3	(14.7)	(25.1)	96.0	181.2
Surplus on disposal of aircraft, spares and spare engines	65.5	34.2	-	-	-	-	-	-	65.5	34.2	(4.9)	14.9	60.6	49.1
Dividends from subsidiary companies, gross	313.5	253.6	-	-	-	-	0.1	-	313.6	253.6	(313.6)	(253.6)	-	-
Dividends from long-term investments, gross	11.5	20.4	1.1	1.1	11.1	13.7	-	-	23.7	35.2	-	(0.4)	23.7	34.8
Other non-operating items	40.2	72.0	(10.9)	19.0	0.1	1.3	(5.8)	-	23.6	92.3	5.8	4.5	29.4	96.8
Share of profits of joint venture companies	-	-	-	-	63.9	50.8	-	-	63.9	50.8	-	-	63.9	50.8
Share of (losses)/profits of associated companies	(30.0)	(54.0)	22.2	44.7	109.1	107.0	-	-	101.3	97.7	9.8	12.5	111.1	110.2
Taxation	13.7	(322.9)	(35.1)	(53.5)	(37.4)	(31.2)	(2.6)	(4.7)	(61.4)	(412.3)	9.6	2.0	(51.8)	(410.3)
Profit for the financial year	<u>1,036.1</u>	<u>1,920.1</u>	<u>148.4</u>	<u>195.2</u>	<u>263.3</u>	<u>254.3</u>	<u>3.4</u>	<u>23.0</u>	<u>1,451.2</u>	<u>2,392.6</u>	<u>(304.4)</u>	<u>(255.7)</u>	<u>1,146.8</u>	<u>2,136.9</u>
Attributable to:														
Equity holders of the Company													1,061.5	2,049.4
Minority interests													<u>85.3</u>	<u>87.5</u>
													<u>1,146.8</u>	<u>2,136.9</u>

\* Relates to inter-segment transactions eliminated on consolidation. The Group generally accounts for such inter-segment transactions as if these transactions were to third parties at current market prices.

**ANALYSIS OF GROUP REVENUE BY AREA OF ORIGINAL SALE  
- AIRLINE OPERATIONS (in \$ million)**

Revenue by Area of Original Sale	<u>2008-09</u>	<u>2007-08</u>
East Asia	5,814.8	6,444.3
Europe	2,319.9	2,158.8
South West Pacific	1,937.7	1,906.3
Americas	901.0	1,030.2
West Asia and Africa	856.5	989.4
Systemwide	11,829.9	12,529.0
Non-scheduled services and incidental revenue	3,347.4	2,785.5
Total	<u>15,177.3</u>	<u>15,314.5</u>

**14** In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to note 8.

**15** A breakdown of sales.

**BREAKDOWN OF REVENUE AND RESULTS (in \$ million)**

The Group	2008-09	2007-08	% Change	
<b><u>First Half</u></b>				
Revenue reported for the first half-year	8,511.0	7,589.2	+	12.1
Profit after tax reported for the first half-year	723.0	977.9	-	26.1
<b><u>Second Half</u></b>				
Revenue reported for the second half-year	7,485.3	8,383.3	-	10.7
Profit after tax reported for the second half-year	423.8	1,159.0	-	63.4

**16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Annual Dividend (\$ million)	2008-09	2007-08
Ordinary dividend		
- Interim	237.1	237.2
- Final #	236.5	948.7
Total	473.6	1,185.9

# 2008-09 Final dividend is estimated based on number of shares outstanding as at the end of the financial year.

## 17 Interested Person Transactions

The aggregate values of all Interested Person Transactions (“IPTs”) entered into during the Financial Year 2008-09 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)
	S(\$)	S(\$)
<b>Temasek Holdings (Private) Limited and Associates</b>		
Asprecise Pte Ltd	-	553,802
Certis CISCO Security Pte Ltd		532,475
Great Wall Airlines Company Ltd	-	99,110,425
MediaCorp Press Ltd		142,154
PT Bank Danamon Indonesia TBK	-	236,189
Temasek Holdings (Private) Limited	-	170,720
Tiger Airways Pte Ltd	-	118,237
<b>Capitaland Limited Group</b>		
Orchard Turn Retail Investment Pte Ltd		5,392,425
<b>Singapore Technologies Engineering Ltd Group</b>		
Miltope Corporation	-	702,494
ST Aerospace Engineering Pte Ltd	-	462,836
<b>Singapore Telecommunications Ltd Group</b>		
NCS Pte Ltd	-	342,348
Singapore Computer Systems Limited		406,349
Singapore Telecommunications Ltd		4,122,488
Trusted Hub Limited		192,922
<b>StarHub Ltd Group</b>		
StarHub Ltd	-	159,086
Total interested persons transactions	-	112,644,950

By Order of the Board

Ethel Tan (Mrs)  
Company Secretary  
14 May 2009

## AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE AIRLINES LIMITED

We have audited the accompanying financial statements of Singapore Airlines Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 11 to 94, which comprise the balance sheets of the Group and the Company as at 31 March 2009, the statements of changes in equity of the Group and the Company and the profit and loss account and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2009 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



ERNST & YOUNG LLP  
Public Accountants and  
Certified Public Accountants

Dated this 14th day of May 2009  
Singapore