



No. 03/07

1 August 2007

FIRST QUARTER OPERATING PROFIT IMPROVES 69% TO \$463 MILLION

PARENT AIRLINE OPERATIONS DRIVE GROUP OPERATING PROFIT

The Group made an operating profit of \$463 million for the first quarter of 2007-08; an increase of \$189 million (+69.2%) from the previous year, underpinned by strong performance from the Parent Airline Company.

Group revenue rose \$201 million (+5.9%) to \$3,622 million – the highest ever for the April – June quarter.

Group expenditure was \$12 million (+0.4%) higher, at \$3,159 million.

Although fuel prices eased slightly during the early part of the quarter, fuel cost remained high and accounted for 36.9% of the Group expenditure. Net of hedging, fuel expenditure fell \$58 million (-4.7%) to \$1,165 million.

The Group earned a net profit attributable to equity holders of \$424 million for the first quarter ended 30 June 2007, compared to \$575 million in the same quarter last year. The previous year's results were boosted by an exceptional gain of \$223 million from the sale of the SIA Building in Singapore. Excluding that exceptional gain, profit attributable to equity holders this year was \$72 million (+20.6%) higher.

Note: The SIA Group's unaudited financial results for the first quarter ended 30 June 2007 were announced on 1 August 2007. A summary of the financial and operating statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Company refers to Singapore Airlines, the parent airline unit. The Group comprises the Company and its subsidiary, joint venture and associated companies).

The Parent Airline Company posted an operating profit of \$384 million (+102.5%), more than double the same period last year. The Airline's strong operating results contributed 82.8% (+13.6% points) to the Group's operating profit. The operating profit/loss of the three major subsidiary companies are as follows:

- Singapore Airport Terminal Services (SATS) Group: Profit of \$46 million (-4.2%)
- SIA Engineering Company (SIAEC): Profit of \$29 million (-11.8%)
- Singapore Airlines Cargo (SIA Cargo): Loss of \$11 million (-115.7%)

OPERATING PERFORMANCE: RECORD PASSENGER TRAFFIC

During the quarter, Singapore Airlines carried 4.6 million passengers (+5.1%) and revenue passenger kilometres grew 2.9% despite a capacity reduction of 1.5% in available seat kilometres. As a result, passenger load factor improved 3.3 percentage points to 78.9%.

Passenger breakeven load factor was 1.2 percentage points lower, at 69.6%, because yield grew at a higher rate (+8.5%) than unit cost (+6.7%).

SIA Cargo's freight traffic (in load tonne kilometres) grew 0.1% while capacity (in capacity tonne kilometres) fell by 0.2%. As a result, cargo load factor rose 0.2 percentage point to 62.1%. However, cargo breakeven load factor rose 1.1 percentage points to 65.3%, as yield declined at a faster rate (-6.5%) than unit cost (-4.9%).

FLEET AND ROUTE DEVELOPMENT

Singapore Airlines took delivery of one Boeing 777-300ER, leased in one Boeing 747-400, and de-commissioned three Boeing 747-400s during the quarter under review. As at 30 June 2007, the operating fleet comprised 93 passenger aircraft – 20 B747-400s, 68 B777s and five A340-500s, with an average age of six years and four months.

During the quarter, the Parent Airline Company added flight frequencies to Shanghai and Chennai.

SIA Cargo operated a fleet of 14 Boeing 747-400 freighter aircraft as at 30 June 2007.

OUTLOOK

Demand for air travel is expected to remain buoyant in the second quarter, with high forward bookings across all route regions, especially in the premium cabins.

Passenger capacity will resume growth later in the year. With the delivery of four additional Boeing B777-300ERs and three Airbus A380-800s by March 2008, passenger capacity is expected to grow at about 1% for the full financial year.

Singapore Airlines is in the final stages of preparations to receive the first Airbus A380 in October, and will put it into commercial service soon thereafter. The strong support for the Special Flight's charity auction is most heartening, and augurs well for the enthusiasm customers have for this aircraft.

On the cost side, fuel remains a significant challenge, with price volatility continuing to be a key variable to financial performance.

* * *

Media Contacts:

Public Affairs Department
Tel: (65) 6541-5880 (office hours)
Tel: (65) 9753-2126 (after office hours)
Fax: (65) 6545-6083
Email: Public_Affairs@singaporeair.com.sg
URL: singaporeair.com

Investor Contacts:

Investor Relations
Tel: (65) 6541-4885 (office hours)
Fax: (65) 6542-3002
Email: Investor_Relations@singaporeair.com.sg



Singapore Company Registration Number: 197200078R

A STAR ALLIANCE MEMBER



GROUP FINANCIAL STATISTICS

	1st Quarter 2007-08	1st Quarter 2006-07
Financial Results (\$ million)		
Total revenue	3,622.1	3,421.0
Total expenditure	3,158.8	3,147.2
Operating profit	463.3	273.8
Non-operating items	93.3	162.5
Exceptional surplus	--	223.3
Profit before taxation	556.6	659.6
Profit attributable to equity holders of the Company	424.1	575.1
Per Share Data		
Earnings before tax (cents)	44.5	53.8
Earnings after tax (cents) - basic ^{R1}	33.9	46.9
- diluted ^{R2}	33.3	46.7
	As at	As at
	30 Jun 2007	31 Mar 2007
Financial Position (\$ million)		
Share capital	1,596.1	1,494.9
Reserves		
Capital reserve	44.9	44.9
Foreign currency translation reserve	(43.9)	(59.5)
Share-based compensation reserve	106.8	97.3
Fair value reserve	(9.8)	(45.5)
General reserve	13,998.7	13,567.9
Equity attributable to equity holders of the Company	15,692.8	15,100.0
Total assets	26,936.1	25,992.0
Total debt	1,871.4	1,879.4
Total debt equity ratio (times) ^{R3}	0.12	0.12
Net asset value (\$) ^{R4}	12.52	12.11

^{R1} Earnings after tax per share (basic) is computed by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue.

^{R2} Earnings after tax per share (diluted) is computed by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue, adjusted for the dilutive effect on the exercise of all outstanding share options granted.

^{R3} Total debt equity ratio is total debt divided by equity attributable to equity holders of the Company.

^{R4} Net asset value per share is computed by dividing equity attributable to equity holders of the Company by the number of ordinary shares in issue.

OPERATING STATISTICS

	1st Quarter 2007-08	1st Quarter 2006-07
<u>SIA</u>		
Passenger carried (thousand)	4,619	4,394
Revenue passenger-km (million)	21,816.5	21,192.2
Available seat-km (million)	27,634.1	28,044.9
Passenger load factor (%)	78.9	75.6
Passenger yield (cents/pkm)	11.5	10.6
Passenger unit cost (cents/ask)	8.0	7.5
Passenger breakeven load factor (%)	69.6	70.8
<u>SIA Cargo</u>		
Cargo and mail carried (million kg)	316.2	315.7
Cargo load (million tonne-km)	1,957.1	1,954.6
Gross capacity (million tonne-km)	3,151.2	3,157.0
Cargo load factor (%)	62.1	61.9
Cargo yield (cents/ltk)	36.0	38.5
Cargo unit cost (cents/ctk)	23.5	24.7
Cargo breakeven load factor (%)	65.3	64.2
<u>SIA and SIA Cargo</u>		
Overall load (million tonne-km)	4,038.0	3,974.5
Overall capacity (million tonne-km)	5,882.2	5,928.1
Overall load factor (%)	68.6	67.0
Overall yield (cents/ltk)	79.7	75.4
Overall unit cost (cents/ctk)	49.9	48.5
Overall breakeven load factor (%)	62.6	64.3

GLOSSARY

SIA

- Revenue passenger-km = Number of passengers carried x distance flown (in km)
 Available seat-km = Number of available seats x distance flown (in km)
 Passenger load factor = Revenue passenger-km expressed as a percentage of available seat-km
 Passenger yield = Passenger revenue from scheduled services divided by revenue passenger-km
 Passenger unit cost = Operating expenditure (less bellyhold revenue from SIA Cargo) divided by available seat-km
 Passenger breakeven load factor = Passenger unit cost expressed as a percentage of passenger yield. This is the theoretical load factor at which passenger revenue equates to the operating expenditure (less bellyhold revenue from SIA Cargo)

SIA Cargo

- Cargo load = Cargo and mail load carried (in tonnes) x distance flown (in km)
 Gross capacity = Cargo capacity production (in tonnes) x distance flown (in km)
 Cargo load factor = Cargo and mail load (in tonne-km) expressed as a percentage of gross capacity (in tonne-km)
 Cargo yield = Cargo and mail revenue from scheduled services divided by cargo load (in tonne-km)
 Cargo unit cost = Operating expenditure (including bellyhold expenditure to SIA) divided by gross capacity (in tonne-km)
 Cargo breakeven load factor = Cargo unit cost expressed as a percentage of cargo yield. This is the theoretical load factor at which cargo revenue equates to the operating expenditure (including bellyhold expenditure to SIA)

SIA and SIA Cargo

- Overall load = Total load carried (in tonnes) x distance flown (in km)
 Overall capacity = Total capacity production (in tonnes) x distance flown (in km)
 Overall load factor = Overall load (in tonne-km) expressed as a percentage of overall capacity (in tonne-km)