

**NEWS RELEASE ON FINANCIAL RESULTS FOR THE
THREE MONTHS ENDED 30 SEPTEMBER 2003**

**SIA GROUP PROFITABLE IN SECOND QUARTER
BUT FIRST HALF ENDS IN SMALL LOSS**

MAIN POINTS OF THE GROUP'S RESULTS

- Operating profit \$315 million
- Profit before tax \$392 million
- Profit attributable to shareholders \$306 million
- Earnings per share 25.1 cents
- Shareholders' funds \$10,614 million
- No interim dividend declared

GROUP EARNINGS

Second Quarter 2003

The Group returned to profitability in the second quarter despite difficult operating conditions.

Although revenue was 52.3% higher than in the first quarter, it was still 6.4% lower than in July – September 2002. Expenditure was also lower by 9.1% year-on-year as a result of reduced capacity and lower costs.

Operating profit was \$315 million, 18.4% more than the same quarter last year. Profit before tax at \$392 million was 1.6% higher.

Profit attributable to shareholders increased by \$11 million to \$306 million.

Note: The SIA Group's unaudited financial results for the second quarter ended 30 September 2003 were announced on 29 October 2003. A summary of the financial and operating statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Company refers to the parent airline unit, the Group comprises the Company and its subsidiary, joint venture and associated companies).

First Half 2003

Although expenditure was 10.3% lower than in April – September 2002, revenue fell by 20.2% because of the outbreak of SARS in the April – June 2003 quarter. As a result, there was an operating loss of \$63 million compared to an operating profit of \$510 million last year.

Profit earned in July – September 2003 helped to cut cumulative loss attributable to shareholders to \$7 million from \$312 million loss in the first quarter. In comparison, there was a profit of \$774 million in the first half of last year.

GROUP FINANCIAL POSITION (as at 30 September 2003)

Shareholders' funds of the Group stood at \$10,614 million, which was 0.9% (-\$95 million) lower than at 31 March 2003.

Net asset value per share for the Group was \$8.71 as at 30 September 2003, a small drop of \$0.08 or 0.9% compared to 31 March 2003.

The Group's total assets increased \$229 million (+1.2%) to \$19,413 million.

As a result of short term borrowings, net debt of the Group was \$1,110 million, up from \$719 million as at 31 March 2003. The ratio of Net Debt to Equity was 0.10 times, compared to 0.07 times.

SIA OPERATING PERFORMANCE

Despite signs of recovery from April – June 2003, passenger traffic was still 9.3% lower than a year ago. Passenger load factor improved 1.3 percentage points to 79.4% because of a 10.8% reduction in capacity.

As SARS receded in the region, demand responded well to sales promotion. Flights that were suspended because of SARS were restored progressively, and capacity returned to around 90% of pre-SARS level by the end of September 2003. In addition, a new thrice-weekly direct service to Bangalore was launched on 28 August 2003.

There were 75 passenger aircraft in SIA's operating fleet as at 30 September 2003, a decrease of 19 units from last year. The all Boeing fleet comprised 27 B747-400 aircraft and 48 B777 aircraft.

SUBSEQUENT EVENT

SIA sold five Pratt and Whitney 4056 engines to UT Finance Corporation on 9 October 2003.

OUTLOOK

Barring any unfavourable events, passenger demand is expected to remain buoyant in the next two quarters, especially during the traditional year-end travel peak. Additional capacity will be added to meet the expected high demand. Fares are however still under pressure though most of the discounts introduced to revive traffic in the aftermath of SARS have expired.

A thrice-weekly service to Shenzhen will start in mid-January 2004, just before the Lunar New Year. A non-stop service between Singapore and Los Angeles using the new A340-500 aircraft will be launched in February 2004.

As passenger services are restored, cargo capacity will also be recovered. However, exports from America and Europe continue to remain soft. Cargo loads and yields from these regions are therefore not expected to rise in the second half year.

Jet fuel prices have risen after the OPEC's announcement on 24 September 2003 to reduce its crude oil output. Prices have held up since then.

SIA INTERIM DIVIDEND

No interim dividend will be declared because both the Group and the Company suffered losses in the April – September 2003 half of the financial year.

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FINANCIAL STATISTICS

	2nd Qtr 2003-04	1st Qtr 2003-04	2nd Qtr 2002-03	1st Half 2003-04	1st Half 2002-03
GROUP (\$ million)					
Total revenue	2,518.1	1,653.4	2,690.0	4,171.5	5,228.9
Total expenditure	2,203.3	2,030.7	2,424.2	4,234.0	4,719.1
Operating profit/(loss)	314.8	(377.3)	265.8	(62.5)	509.8
Non-operating items	77.0	27.4	120.0	104.4	146.1
Exceptional surplus/(expenditure)	-	(41.4)	-	(41.4)	0.5
Profit/(loss) before taxation	391.8	(391.3)	385.8	0.5	656.4
Profit/(loss) attributable to shareholders	305.8	(312.3)	295.1	(6.5)	773.5
Earnings/(loss) before tax per share (cents)	32.2	(32.1)	31.7	0.0	53.9
Earnings/(loss) per share (cents) - basic	25.1	(25.6)	24.2	(0.5)	63.5
- diluted ^{R1}	25.1	(25.6)	24.2	(0.5)	63.5
	As at 30 Sep 2003	As at 30 Jun 2003	As at 31 Mar 2003	As at 30 Sep 2002	
Share capital	609.1	609.1	609.1	609.1	
Distributable reserve	9,459.1	9,269.3	9,580.4	9,352.1	
Non-distributable reserve:					
Share premium	447.2	447.2	447.2	447.2	
Capital redemption reserve	64.4	64.4	64.4	64.4	
Capital reserve	34.2	7.7	7.7	7.7	
Shareholders' funds	10,614.0	10,397.7	10,708.8	10,480.5	
Net asset value per share (\$)	8.71	8.54	8.79	8.60	
Total assets	19,412.7	18,778.2	19,184.0	18,867.5	
Net debt	1,109.9	1,207.0	718.8	324.7	
Net debt equity ratio (times)	0.10	0.12	0.07	0.03	
	2nd Qtr 2003-04	1st Qtr 2003-04	2nd Qtr 2002-03	1st Half 2003-04	1st Half 2002-03
COMPANY (\$ million)					
Total revenue	1,891.8	1,079.6	2,081.9	2,971.4	4,036.8
Total expenditure	1,717.1	1,522.5	1,943.5	3,239.6	3,781.1
Operating profit/(loss)	174.7	(442.9)	138.4	(268.2)	255.7
Profit/(loss) before tax	269.9	(434.0)	234.5	(164.1)	384.3
Profit/(loss) after tax	212.3	(346.6)	175.8	(134.3)	512.4

^{R1} Based on weighted average number of shares in issue during the year after adjusting for dilution of shares due to the Employee Share Option Plan.

OPERATING STATISTICS

	2nd Qtr 2003-04	1st Qtr 2003-04	2nd Qtr 2002-03	1st Half 2003-04	1st Half 2002-03
SIA Company					
Passengers carried (thousand)	3,644	1,933	3,972	5,577	7,775
Revenue passenger-km (million)	17,772.8	9,881.7	19,600.4	27,654.5	37,798.7
Available seat-km (million)	22,379.8	17,208.2	25,090.5	39,588.0	49,196.0
Passenger load factor (%)	79.4	57.4	78.1	69.9	76.8
Passenger yield (cents/pkm)	8.9	8.4	9.0	8.7	9.0
Passenger unit cost (cents/ask)	6.4	7.4	6.7	6.9	6.6
Passenger breakeven load factor (%)	71.9	88.1	74.4	79.3	73.3
SIA Cargo Company					
Cargo and mail carried (million kg)	264.7	247.4	259.3	512.1	518.4
Cargo load (million tonne-km)	1,699.6	1,616.8	1,734.4	3,316.5	3,439.5
Mail load (million tonne-km)	12.3	13.6	20.2	25.9	37.5
Gross capacity (million tonne-km)	2,597.3	2,355.1	2,506.6	4,952.4	4,950.5
Cargo load factor (%)	65.9	69.2	70.0	67.5	70.2
Cargo yield (cents/ltk)	35.6	34.9	33.2	35.2	32.9
Cargo unit cost (cents/ctk)	22.4	23.6	23.3	23.0	23.3
Cargo breakeven load factor (%)	62.9	67.6	70.2	65.3	70.8
SIA Passenger and SIA Cargo Company					
Overall load carried (million tonne-km)	3,437.2	2,593.1	3,638.0	6,030.3	7,116.7
Overall capacity (million tonne-km)	4,807.8	4,055.2	4,988.5	8,863.0	9,817.7
Overall load factor (%)	71.5	63.9	72.9	68.0	72.5
Overall yield (cents/ltk)	64.4	54.1	64.7	59.9	63.9
Overall unit cost (cents/ctk)	41.6	45.0	44.6	43.1	44.5
Overall breakeven load factor (%)	64.6	83.2	68.9	72.0	69.6

GLOSSARY

SIA Company

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	=	Operating passenger revenue from scheduled services divided by passenger-km flown
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 operating passenger revenue equates to the operating expenditure (less bellyhold revenue from SIA Cargo)

SIA Cargo Company

Cargo load	=	Cargo load carried (in tonnes) x distance flown (in km)
Mail load	=	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 tonne-km expressed as a percentage of cargo capacity tonne-km
Cargo yield	=	Cargo and mail revenue from scheduled services divided by tonne-km flown
Cargo unit cost	=	Operating expenditure divided by capacity 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 and mail revenue equates to the operating expenditure

SIA Passenger and SIA Cargo Company

Overall load carried	=	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 carried tonne-km expressed as a percentage of overall capacity tonne-km