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STRONG REVENUE AND SALE OF LEASING ASSOCIATE LIFT THIRD QUARTER NET PROFIT TO \$589 MILLION

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	3rd Quarter 2006-07		9 Months 2006-07	
	Oct-Dec 2006	Year-on-Year % Change	Apr-Dec 2006	Year-on-Year % Change
• Operating revenue	\$ 3,794 M	+ 6.7	\$ 10,823 M	+ 8.8
• Operating profit	\$ 448 M	+ 19.5	\$ 981 M	+ 2.3
• Profit attributable to equity holders of the Company	\$ 589 M	+ 48.6	\$ 1,458 M	+ 49.6
• Earnings per share	47.7 cts	+ 46.8	118.5 cts	+ 48.3

STRONG PASSENGER TRAFFIC BOOST REVENUE TO RECORD HIGH

Third Quarter 2006-07

The Group achieved an operating profit of \$448 million in the third quarter of financial year 2006-07, an increase of \$73 million (+19.5%) over the previous year.

Group revenue rose to a record \$3,794 million, up 6.7% from \$3,557 million a year ago. Demand for air travel grew on the back of benign conditions in the major economies.

Note: The SIA Group's unaudited financial results for the third quarter ended 31 December 2006 were announced on 9 February 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 SIA, the parent airline unit. The Group comprises the Company and its subsidiary, joint venture and associated companies).

Group expenditure also increased, but was contained below revenue growth, rising by 5.1% (+\$164 million) to \$3,346 million. While fuel cost increase has moderated to 3.8%, adding \$45 million (net of hedging) to Group expenditure, it remained high and accounted for 36.7% of total expenditure.

The Group posted a net profit attributable to equity holders of \$589 million, up \$193 million (+48.6%) on last year. This result includes a one-off gain of \$198 million from the sale of the Group's 35.5% equity stake in Singapore Aircraft Leasing Enterprise.

The Parent Airline Company earned an operating profit of \$306 million (+59.2%), which contributed 68.3% (+17.0 percentage points) of the Group's operating profit. The operating results of the three major subsidiary companies are as follows:

- Singapore Airport Terminal Services (SATS) Group: Profit of \$46 million (-4.0%)
- SIA Engineering Company (SIAEC): Profit of \$27 million (+17.3%)
- Singapore Airlines Cargo (SIA Cargo): Profit of \$52 million (-46.3%)

In contrast to the Parent Airline Company's better operating performance, the Group's share of results of associated companies was a loss of \$38 million. The key factor in this was the Group's share of Virgin Atlantic Limited's loss in the quarter which arose from the requirement in accounting standard FRS39 Financial Instruments: Recognition and Measurement to record unrealised losses of Virgin Atlantic's fuel hedging contracts.

April – December 2006

For the nine months to 31 December 2006, the Group achieved a net profit attributable to equity holders of \$1,458 million, compared to \$974 million for the corresponding period last year, an increase of \$484 million (+49.6%). This result was boosted by significant one-off gains totalling \$421 million from the sale of SIA Building and Singapore Aircraft Leasing Enterprise.

The Group's revenue increased \$872 million (+8.8%) to \$10,823 million, with improvements in all three business segments, i.e. Airline Operations, Airport Terminal Services and Engineering Services. The Parent Airline Company, in particular, experienced strong growth in passenger loads, supported by healthy demand in all route regions.

Group expenditure increased \$849 million (+9.4%) to \$9,842 million from \$8,993 million, largely driven by higher fuel cost as expenditure on fuel rose \$664 million (+21.3%) to \$3,786 million.

As a result, the Group's operating profit rose by \$23 million (+2.3%) to \$981 million for the nine months ended 31 December 2006.

OPERATING PERFORMANCE: RECORD PASSENGER TRAFFIC IN THIRD QUARTER

Singapore Airlines posted a 9.9% increase in passenger numbers to 4.79 million in the third quarter of financial year 2006-07, marking the third straight quarter of record passenger uplifts.

The Airline's carriage of passengers (measured in revenue passenger kilometres) grew 8.6% on capacity growth (in available seat kilometres) of 3.1%. As a result, passenger load factor rose 4.1 percentage points to 80.7%. Passenger breakeven load factor rose 0.5 percentage point to 70.9%, as unit cost grew at a slightly higher rate (+2.6%) than yield (+1.9%).

SIA Cargo's freight traffic (measured in load tonne kilometres) grew at a more modest rate of 2.3% on capacity growth (in capacity tonne kilometres) of 8.0%. As a result, cargo load factor fell 3.5 percentage points to 63.1%. Cargo breakeven load factor rose 0.4 percentage point to 60.3%, as yield declined at a faster rate (-2.7%) than unit cost (-2.1%). However, SIA Cargo achieved an operating profit of \$52 million for the quarter. This is a turnaround from the operating loss of \$29 million incurred in the first half of the financial year.

FLEET AND ROUTE DEVELOPMENT

During the quarter, Singapore Airlines took delivery of six Boeing 777-300ERs, and de-commissioned two Boeing 747-400s. The Boeing 777-300ERs, part of an order for 19, feature Singapore Airlines' new cabin products, unveiled in October 2006.

As at 31 December 2006, the Airline's operating fleet consisted of 92 passenger aircraft – 23 B747-400s, 64 B777s and five A340-500s, with an average age of six years and three months.

SIA Cargo operated a fleet of 16 freighters during the third quarter. As at 31 December 2006, the average age of the freighter fleet was six years and five months.

OUTLOOK

Advance bookings reflect continued strength in demand for air travel. However, revenue growth will be constrained by the shortfall in capacity growth from the Airbus A380 delivery delays. Efforts are being focused on improving yields and loads.

On the cost side, the price of jet fuel has moderated of late, but remains historically high. Although the price of crude has come down, jet fuel prices have not fallen to the same extent.

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GROUP FINANCIAL STATISTICS

	3rd Quarter 2006-07	3rd Quarter 2005-06	9 Months 2006-07	9 Months 2005-06
Financial Results (\$ million)				
Total revenue	3,793.7	3,557.0	10,823.3	9,951.7
Total expenditure	3,346.0	3,182.3	9,842.4	8,993.3
Operating profit	447.7	374.7	980.9	958.4
Non-operating items	68.8	164.0	376.3	350.9
Exceptional surplus	197.7	--	421.0	--
Profit before taxation	714.2	538.7	1,778.2	1,309.3
Profit attributable to equity holders of the Company	589.2	396.6	1,457.5	974.4
Per Share Data				
Earnings before tax (cents)	57.8	44.2	144.6	107.4
Earnings after tax (cents) - basic ^{R1}	47.7	32.5	118.5	79.9
- diluted ^{R2}	47.3	32.5	117.8	79.9
	As at 31 Dec 2006	As at 31 Mar 2006		
Financial Position (\$ million)				
Share capital	1,418.1	1,202.6		
Reserves				
Capital reserve	30.5	40.8		
Foreign currency translation reserve	(47.6)	(30.5)		
Share-based compensation reserve	88.9	81.8		
Fair value reserve	(195.2)	163.6		
General reserve	12,887.2	12,012.3		
Equity attributable to equity holders of the Company	14,181.9	13,470.6		
Total assets	25,511.1	23,369.5		
Total debt	2,438.2	2,305.6		
Total debt equity ratio (times) ^{R3}	0.17	0.17		
Net asset value (\$) ^{R4}	11.43	11.00		

^{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 after adjusting for the dilutive effect on the exercise of all outstanding share options granted to employees.

^{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

	3rd Quarter 2006-07	3rd Quarter 2005-06	9 Months 2006-07	9 Months 2005-06
SIA				
Passenger carried (thousand)	4,794	4,364	13,754	12,727
Revenue passenger-km (million)	22,940.6	21,121.6	66,699.4	61,795.4
Available seat-km (million)	28,434.5	27,566.3	84,885.6	82,317.8
Passenger load factor (%)	80.7	76.6	78.6	75.1
Passenger yield (cents/pkm)	11.0	10.8	10.8	10.5
Passenger unit cost (cents/ask)	7.8	7.6	7.8	7.4
Passenger breakeven load factor (%)	70.9	70.4	72.2	70.5
SIA Cargo				
Cargo and mail carried (million kg)	344.6	333.3	979.7	935.5
Cargo load (million tonne-km)	2,177.3	2,128.6	6,111.2	5,918.1
Gross capacity (million tonne-km)	3,452.8	3,197.6	9,758.4	9,328.2
Cargo load factor (%)	63.1	66.6	62.6	63.4
Cargo yield (cents/ltk)	39.5	40.6	39.0	38.8
Cargo unit cost (cents/ctk)	23.8	24.3	24.6	23.2
Cargo breakeven load factor (%)	60.3	59.9	63.1	59.8
SIA and SIA Cargo				
Overall load (million tonne-km)	4,360.1	4,152.4	12,458.5	11,837.4
Overall capacity (million tonne-km)	6,262.0	5,927.0	18,145.3	17,467.4
Overall load factor (%)	69.6	70.1	68.7	67.8
Overall yield (cents/ltk)	77.5	75.7	76.9	74.4
Overall unit cost (cents/ctk)	48.4	48.3	49.6	47.0
Overall breakeven load factor (%)	62.5	63.8	64.5	63.2

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	=	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 and mail 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 and mail 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)