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THIRD QUARTER OPERATING PROFIT UP 51% TO \$675 MILLION

GROUP FINANCIAL PERFORMANCE

Third Quarter 2007-08

The Group made an operating profit of \$675 million in the third quarter of financial year 2007-08, an increase of \$227 million (+50.7%) from the same period of the immediately preceding financial year.

Growth in passenger carriage and yields produced Group revenue of \$4,276 million; \$482 million (+12.7%) higher compared to third quarter 2006-07.

On the cost side, Group expenditure increased \$255 million (+7.6%), to \$3,601 million. Fuel expenditure increased by \$99 million (+8.0%) to \$1,327 million as fuel prices climbed to new highs. Fuel cost accounted for 36.9% of the Group expenditure.

Net profit attributable to equity holders for the third quarter was \$590 million, comparable to the same period of the immediately preceding financial year. The results for October to December 2006, however, included a \$198 million one-off gain from the sale of the Group's 35.5% equity stake in Singapore Aircraft Leasing Enterprise. Excluding that exceptional gain, profit attributable to equity holders this year was \$199 million (+50.7%) more.

Note: The SIA Group's unaudited financial results for the third quarter ended 31 December 2007 were announced on 1 February 2008. 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 \$513 million (+67.6%), contributing 76.0% (+7.7% points) to the Group's operating profit. The operating results of the three major subsidiary companies are as follows:

- Singapore Airlines Cargo (SIA Cargo): Profit of \$73 million (+39.5%)
- Singapore Airport Terminal Services (SATS) Group: Profit of \$47 million (+2.0%)
- SIA Engineering Company (SIAEC): Profit of \$19 million (-27.9%)

April – December 2007

For the first nine months of financial year 2007-08, the Group posted an operating profit of \$1,656 million, a year-on-year improvement of \$675 million (+68.9%).

Group revenue grew \$1,042 million (+9.6%) to \$11,865 million, while Group expenditure increase was contained below revenue growth; up \$367 million (+3.7%) to \$10,209 million.

The Group earned a net profit attributable to equity holders of \$1,522 million for the nine months ended 31 December 2007, compared to \$1,458 million in the same period of the immediately preceding financial year. Excluding exceptional gains of \$421 million from the sale of the SIA Building in Singapore and sale of the Group's equity stake in Singapore Aircraft Leasing Enterprise from the previous year's results, net profit attributable to equity holders this year was \$485 million (+46.8%) higher.

THIRD QUARTER OPERATING PERFORMANCE

Singapore Airlines carried 4.96 million passengers in the quarter, 3.5% more than the preceding year. Passenger traffic (in revenue passenger kilometres) grew 2.7%, while capacity (in available seat kilometres) grew 2.0%, resulting in a 0.6 percentage point improvement in passenger load factor, to 81.3%.

Passenger breakeven load factor, at 67.7%, was 3.2 percentage points lower than the same period of the immediately preceding financial year, as passenger yield grew at a higher rate (+12.7%) than unit cost (+7.7%).

On the cargo side, SIA Cargo's freight traffic (in load tonne kilometres) for the third quarter was down 2.6% year-on-year; about in line with the decline in cargo capacity (in capacity tonne kilometres) of 2.4%. As a result, cargo load factor declined marginally by 0.2 percentage point to 62.9%. However, cargo breakeven load factor at 57.9% was 2.4 percentage points lower on higher cargo yield (+2.8%) and lower unit cost (-1.3%), as a result of route rationalisation and cost control efforts.

FLEET AND ROUTE DEVELOPMENT

During the third quarter, Singapore Airlines took delivery of its first Airbus A380-800 and its eleventh Boeing 777-300ER. Both new aircraft feature Singapore Airlines' newest cabin products. The new cabins and seats on the aircraft have been well received by customers.

As at 31 December 2007, the operating fleet comprised 94 passenger aircraft – 19 B747-400s, 69 B777s, five A340-500s and one A380-800, with an average age of six years and seven months.

SIA Cargo commenced new freighter services from Brussels to Chicago and Los Angeles in November 2007.

OUTLOOK

In the last quarter of the current financial year, demand for air travel, as reflected in advance bookings, continues to be firm. Beyond the near term, however, the prospects are uncertain, with financial markets under stress and growing concerns about potential recession in America.

Pricing of futures indicates that oil prices will hold at current high levels, and expenditure on fuel will be partially mitigated by hedging and recovery of incremental costs from surcharges.

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A STAR ALLIANCE MEMBER



GROUP FINANCIAL STATISTICS

	3rd Quarter 2007-08	3rd Quarter 2006-07	9 Months 2007-08	9 Months 2006-07
Financial Results (\$ million)				
Total revenue	4,276.1	3,793.7	11,865.3	10,823.3
Total expenditure	3,601.5	3,346.0	10,208.9	9,842.4
Operating profit	674.6	447.7	1,656.4	980.9
Non-operating items	73.6	68.8	306.6	376.3
Exceptional surplus	--	197.7	--	421.0
Profit before taxation	748.2	714.2	1,963.0	1,778.2
Profit attributable to equity holders of the Company	590.0	589.2	1,521.9	1,457.5
Per Share Data				
Earnings before tax (cents)	63.1	57.8	160.1	144.6
Earnings after tax (cents) - basic ^{R1}	49.8	47.7	124.1	118.5
- diluted ^{R2}	49.0	47.2	122.1	117.4
	As at 31-Dec-07	As at 31-Mar-07		
Financial Position (\$ million)				
Share capital	1,678.0	1,494.9		
Reserves				
Capital reserve	44.9	44.9		
Foreign currency translation reserve	(96.0)	(59.5)		
Share-based compensation reserve	119.4	97.3		
Fair value reserve	226.1	(45.5)		
General reserve	12,402.8	13,567.9		
Equity attributable to equity holders of the Company	14,375.2	15,100.0		
Total assets	25,566.0	25,992.0		
Total debt	1,691.7	1,879.4		
Total debt equity ratio (times) ^{R3}	0.12	0.12		
Net asset value (\$) ^{R4}	12.12	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

	3rd Quarter 2007-08	3rd Quarter 2006-07	9 Months 2007-08	9 Months 2006-07
<u>SIA</u>				
Passenger carried (thousand)	4,960	4,794	14,364	13,754
Revenue passenger-km (million)	23,568.0	22,940.6	68,450.9	66,699.4
Available seat-km (million)	29,003.8	28,434.5	84,918.1	84,885.6
Passenger load factor (%)	81.3	80.7	80.6	78.6
Passenger yield (cents/pkm)	12.4	11.0	12.0	10.8
Passenger unit cost (cents/ask)	8.4	7.8	8.3	7.8
Passenger breakeven load factor (%)	67.7	70.9	69.2	72.2
<u>SIA Cargo</u>				
Cargo and mail carried (million kg)	345.7	344.6	996.6	979.7
Cargo load (million tonne-km)	2,120.0	2,177.3	6,144.9	6,111.2
Gross capacity (million tonne-km)	3,369.3	3,452.8	9,825.4	9,758.4
Cargo load factor (%)	62.9	63.1	62.5	62.6
Cargo yield (cents/ltk)	40.6	39.5	38.1	39.0
Cargo unit cost (cents/ctk)	23.5	23.8	23.3	24.6
Cargo breakeven load factor (%)	57.9	60.3	61.2	63.1
<u>SIA and SIA Cargo</u>				
Overall load (million tonne-km)	4,357.0	4,360.1	12,653.0	12,458.5
Overall capacity (million tonne-km)	6,236.7	6,262.0	18,224.1	18,145.3
Overall load factor (%)	69.9	69.6	69.4	68.7
Overall yield (cents/ltk)	87.0	77.5	83.4	76.9
Overall unit cost (cents/ctk)	51.8	48.4	51.0	49.6
Overall breakeven load factor (%)	59.5	62.5	61.2	64.5

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)