



UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2005

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 FIRST QUARTER ENDED 30 JUNE 2005 (IN \$ MILLION)

	The Group	
	1st Quarter 2005-06	1st Quarter 2004-05 (Restated)
REVENUE	3,044.4	2,724.9
EXPENDITURE		
Staff costs	592.7	563.8
Fuel costs	892.0	564.0
Depreciation	304.4	300.3
Aircraft maintenance and overhaul costs	91.1	158.9
Landing, parking and overflying charges	163.2	152.2
Handling charges	148.5	134.8
Commission and incentives	103.4	99.5
Rentals on leased aircraft	76.9	79.7
Material costs	72.3	77.2
Inflight meals	59.6	58.6
Advertising and sales costs	53.9	56.4
Company accommodation and utilities	37.9	37.7
Insurance expenses	30.8	33.9
Other passenger costs	26.9	27.9
Crew expenses	28.0	25.9
Other operating expenses	109.7	51.0
	<u>2,791.3</u>	<u>2,421.8</u>
OPERATING PROFIT	253.1	303.1
Finance charges	(23.1)	(16.3)
Interest income	21.3	7.9
Surplus on disposal of aircraft, spares and spare engines	2.5	37.6
Surplus on disposal of other fixed assets	0.1	3.6
Dividends from long-term investments, gross	1.0	1.5
Provision for diminution in value of long-term investments	(0.6)	(0.1)
Amortisation of deferred gain	0.5	0.3
Share of profits of joint venture companies	8.1	0.7
Share of profits/(losses) of associated companies	43.4	(4.4)
	<u>306.3</u>	<u>333.9</u>
PROFIT BEFORE TAXATION		
TAXATION	(54.9)	(65.9)
PROFIT FOR THE PERIOD	<u>251.4</u>	<u>268.0</u>
Attributable to:		
Shareholders of the Company	234.6	254.7
Minority interests	16.8	13.3
	<u>251.4</u>	<u>268.0</u>

Note: The comparative profit and loss account for first quarter 2004-05 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

Notes:

(i) Profit after taxation is arrived at after charging/(crediting) the following:

	The Group	
	1st Quarter 2005-06	1st Quarter 2004-05
Interest income from short-term investments	(0.2)	(0.2)
Dividend income from short-term investments	(0.3)	(0.2)
Interest income	(21.3)	(7.9)
Interest on borrowings	23.1	16.3
Amortisation of deferred gain on sale and leaseback transactions	(27.9)	(32.8)
Surplus on disposal of short-term investments	(0.6)	(0.2)
Bad debts written off	0.4	0.6
Provision for/(writeback of) doubtful debts, net	2.9	(3.6)
Fair value gain on financial derivatives	(8.1)	--
Exchange loss/(gain), net	51.9	(14.1)

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 AT 30 JUNE 2005 (IN \$ MILLION)

	The Group		The Company	
	30 June 2005	31 March 2005 (Restated)	30 June 2005	31 March 2005 (Restated)
SHARE CAPITAL				
Authorised	3,000.0	3,000.0	3,000.0	3,000.0
Issued and fully paid	609.1	609.1	609.1	609.1
RESERVES				
Distributable				
General reserve	11,473.1	11,128.0	10,785.9	10,653.5
Foreign currency translation reserve	13.5	8.8	--	--
Share-based compensation reserve	58.6	48.4	44.6	37.1
Fair value reserve	104.6	--	86.9	--
Non-distributable				
Share premium	448.3	448.2	448.3	448.2
Capital redemption reserve	64.4	64.4	64.4	64.4
Capital reserve	41.9	41.9	--	--
	12,204.4	11,739.7	11,430.1	11,203.2
EQUITY ATTRIBUTABLE TO SHAREHOLDERS	12,813.5	12,348.8	12,039.2	11,812.3
MINORITY INTERESTS	333.1	303.9	--	--
TOTAL EQUITY	13,146.6	12,652.7	12,039.2	11,812.3
DEFERRED ACCOUNT	385.9	414.6	329.1	356.8
DEFERRED TAXATION	2,503.5	2,450.1	1,999.1	1,952.2
LONG-TERM LIABILITIES	2,333.6	2,333.3	1,460.9	1,449.5
	18,369.6	17,850.7	15,828.3	15,570.8
Represented by:-				
FIXED ASSETS				
Aircraft, spares and spare engines	12,323.9	12,292.0	9,567.1	9,484.8
Land and buildings	1,001.7	993.1	310.7	316.1
Others	2,124.9	2,019.4	1,511.2	1,407.2
	15,450.5	15,304.5	11,389.0	11,208.1
GOODWILL ON CONSOLIDATION	1.3	1.3	--	--
SUBSIDIARY COMPANIES	--	--	1,936.7	1,935.8
ASSOCIATED COMPANIES	825.3	702.7	1,718.3	1,716.1
JOINT VENTURE COMPANIES	337.6	323.6	151.0	151.0
LONG-TERM INVESTMENTS	485.1	476.3	417.2	409.2
CURRENT ASSETS				
Section 44 tax prepayments	221.4	221.4	221.4	221.4
Stocks	504.2	442.5	392.4	368.8
Trade debtors	1,704.9	1,344.7	1,130.8	859.4
Amounts owing by associated companies -- net	1.2	15.8	--	12.5
Investments	110.0	79.3	--	--
Cash and bank balances	3,023.1	2,840.2	2,627.2	2,509.1
	5,564.8	4,943.9	4,371.8	3,971.2
Less:- CURRENT LIABILITIES				
Sales in advance of carriage	1,186.5	1,031.2	1,149.1	1,003.2
Deferred revenue	252.1	237.9	252.1	237.9
Current tax payable	172.6	156.2	75.8	72.0
Trade creditors	2,578.9	2,380.4	1,752.4	1,763.8
Amounts owing to subsidiary companies -- net	--	--	893.6	719.4
Finance lease commitments-repayable within one year	44.5	44.1	--	--
Loans-repayable within one year	26.2	25.6	--	--
Bank overdrafts	34.2	26.2	32.7	24.3
	4,295.0	3,901.6	4,155.7	3,820.6
NET CURRENT ASSETS	1,269.8	1,042.3	216.1	150.6
	18,369.6	17,850.7	15,828.3	15,570.8

Note: The comparative balance sheets for 31 March 2005 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment, FRS 28 - Investments in Associates, FRS 103 - Business Combinations, FRS 36 - Impairment of Assets and FRS 38 - Intangible Assets. Please see paragraph 4 for details.

1(b) (ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/06/2005		As at 31/03/2005	
Secured	Unsecured	Secured	Unsecured
\$70.4M	\$34.5M	\$69.0M	\$26.9M

Amount repayable after one year

As at 30/06/2005		As at 31/03/2005	
Secured	Unsecured	Secured	Unsecured
\$1,232.1M	\$1,101.5M	\$1,231.7M	\$1,101.6M

Details of any collateral

\$159.1 million of the secured borrowings are secured by a first priority mortgage over 1 B747-400 freighter, of which \$24.7 million is repayable within one year. In addition, the UOB loan (\$2.8 million) and overdraft (\$1.0 million) obtained by SATS Group is secured by First Legal Mortgage on the building at 22 Senoko Way Singapore 758095. The remaining secured borrowings pertained to finance leases of aircraft (\$1,139.6 million).

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 STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2005 (IN \$ MILLION)**

	The Group	
	1st Quarter 2005-06	1st Quarter 2004-05 (Restated)
NET CASH PROVIDED BY OPERATING ACTIVITIES	606.4	964.7
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(450.8)	(559.6)
Proceeds from disposal of aircraft and other fixed assets	3.6	217.7
Return of capital from long-term investments	--	13.9
Investments in associated companies	(2.2)	(101.9)
Additional long-term investments	--	(57.7)
Additional long-term loan	(0.9)	--
Loans to associated companies	(0.1)	--
Repayment of loans	--	2.3
Proceeds from sale of long-term investments	--	21.7
Dividends received from associated companies	5.6	6.8
Dividends received from investments	--	1.4
Interest received from investments and deposits	20.1	3.6
NET CASH USED IN INVESTING ACTIVITIES	(424.7)	(451.8)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(17.6)	(23.8)
Proceeds from borrowings	--	2.5
Repayment of borrowings	(6.2)	(5.9)
Repayment of long-term lease liabilities	(7.2)	(7.0)
Proceeds from issuance of share capital by subsidiary companies to minority interests	5.1	--
Proceeds from exercise of employee share options	9.2	10.9
NET CASH USED IN FINANCING ACTIVITIES	(16.7)	(23.3)
NET CASH INFLOW	165.0	489.6
CASH AND CASH EQUIVALENTS AT 1 APRIL	2,814.0	1,491.4
Effect of exchange rate changes	9.9	5.7
CASH AND CASH EQUIVALENTS AT 30 JUNE	2,988.9	1,986.7
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits	2,144.1	1,702.6
Cash and bank	879.0	310.1
Bank overdrafts	(34.2)	(26.0)
CASH AND CASH EQUIVALENTS AT 30 JUNE	2,988.9	1,986.7

Note: The comparative cash flow statement for first quarter 2004-05 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

CASH FLOW FROM OPERATING ACTIVITIES (in \$ million)

	The Group	
	1st Quarter 2005-06	1st Quarter 2004-05 (Restated)
Profit before taxation	306.3	333.9
Adjustments for:-		
Depreciation of fixed assets	304.4	300.3
Income from short-term investments	(0.5)	(0.4)
Share-based compensation expense	10.9	4.0
Exchange differences	(11.1)	14.0
Amortisation of deferred gain on sale and leaseback transactions	(27.9)	(32.8)
Finance charges	23.1	16.3
Interest income	(21.4)	(7.9)
Surplus on disposal of aircraft, spares and spare engines	(2.5)	(37.6)
Surplus on disposal of other fixed assets	(0.1)	(3.6)
Dividend from long-term investments	(1.0)	(1.5)
Provision for diminution in value of long-term investments	0.6	0.1
Amortisation of deferred gain	(0.5)	(0.3)
Share of profits of joint venture companies	(8.1)	(0.7)
Share of (profits)/losses of associated companies	(43.4)	4.4
Operating profit before working capital changes	528.8	588.2
Increase in creditors	151.8	274.1
(Increase)/decrease in short term investments	(30.7)	48.4
Increase in sales in advance of carriage	155.3	148.2
Increase in debtors	(155.6)	(96.1)
Increase in stocks	(61.7)	(5.2)
Increase in deferred revenue	14.2	15.2
Decrease in amounts owing by associated and joint venture companies	14.6	--
Cash generated from operations	616.7	972.8
Income taxes paid	(10.3)	(8.1)
Net cash provided by operating activities	606.4	964.7

Note: The comparative cash flow statement for first quarter 2004-05 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

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 FIRST QUARTER ENDED 30 JUNE 2005 (IN \$ MILLION)**

The Group	Attributable to Shareholders of the Company									Minority interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
Balance at 31 March 2005, as previously reported	609.1	448.2	64.4	41.9	8.8	--	--	11,263.7	12,436.1	303.9	12,740.0
<u>Effects of adopting</u>											
- FRS 28	--	--	--	--	--	--	--	(87.8)	(87.8)	--	(87.8)
- FRS 102	--	--	--	--	--	48.4	--	(48.4)	--	--	--
- FRS 103	--	--	--	--	--	--	--	0.5	0.5	--	0.5
Balance at 31 March 2005, as restated	609.1	448.2	64.4	41.9	8.8	48.4	--	11,128.0	12,348.8	303.9	12,652.7
<u>Effects of adopting</u>											
- FRS 28 #	--	--	--	--	--	--	(44.6)	69.7	25.1	--	25.1
- FRS 39	--	--	--	--	--	--	176.4	37.2	213.6	0.8	214.4
	609.1	448.2	64.4	41.9	8.8	48.4	131.8	11,234.9	12,587.5	304.7	12,892.2
Currency translation differences	--	--	--	--	4.7	--	--	--	4.7	0.6	5.3
Net fair value changes on available-for-sale assets	--	--	--	--	--	--	0.5	--	0.5	--	0.5
Net fair value changes on cash flow hedges	--	--	--	--	--	--	(83.8)	--	(83.8)	--	(83.8)
Share-based payment	--	--	--	--	--	10.2	--	--	10.2	0.5	10.7
Share options exercised	*	0.1	--	--	--	--	--	--	0.1	--	0.1
Share of a subsidiary company's capital contribution	--	--	--	--	--	--	--	--	--	5.1	5.1
Share of an associated company's fair value reserve	--	--	--	--	--	--	56.1	--	56.1	--	56.1
Gain on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	--	--	3.6	3.6	5.4	9.0
Net gains and losses not recognised in the profit and loss account	*	0.1	--	--	4.7	10.2	(27.2)	3.6	(8.6)	11.6	3.0
Profit for the period April-June 2005	--	--	--	--	--	--	--	234.6	234.6	16.8	251.4
Balance at 30 June 2005	609.1	448.3	64.4	41.9	13.5	58.6	104.6	11,473.1	12,813.5	333.1	13,146.6

* Amount less than \$0.1 million.

During the year, 11,060 ordinary shares of \$0.50 par value were issued at exercise price of \$10.34 each and 1,460 ordinary shares of \$0.50 par value were issued at exercise price of \$10.70 each, pursuant to the Employee Share Option Plan. Share capital and share premium increased by \$6,260 and \$123,722 respectively.

Relates to adjustments made to align an associated company's accounting policies on recognition, derecognition and measurement of its financial instruments and hedge accounting, as a result of the Group adopting FRS 39.

The Group	Attributable to Shareholders of the Company									Minority interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
Balance at 31 March 2004, as previously reported	609.1	447.2	64.4	32.0	19.8	--	--	10,282.6	11,455.1	304.1	11,759.2
<u>Effects of adopting</u>											
- FRS 28	--	--	--	--	--	--	--	(87.8)	(87.8)	--	(87.8)
- FRS 102	--	--	--	--	--	11.9	--	(11.9)	--	--	--
Balance at 31 March 2004, as restated	609.1	447.2	64.4	32.0	19.8	11.9	--	10,182.9	11,367.3	304.1	11,671.4
Currency translation differences	--	--	--	--	14.3	--	--	--	14.3	1.1	15.4
Share-based payment	--	--	--	--	--	3.9	--	--	3.9	0.1	4.0
Gain on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	--	--	3.0	3.0	8.0	11.0
Net gains and losses not recognised in the profit and loss account	--	--	--	--	14.3	3.9	--	3.0	21.2	9.2	30.4
Profit for the period April-June 2004	--	--	--	--	--	--	--	254.7	254.7	13.3	268.0
Balance at 30 June 2004	609.1	447.2	64.4	32.0	34.1	15.8	--	10,440.6	11,643.2	326.6	11,969.8

The Company	Share capital	Share premium	Capital redemption reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total equity
Balance at 31 March 2005, as previously reported	609.1	448.2	64.4	--	--	10,687.7	11,809.4
Effect of adopting FRS 102	--	--	--	37.1	--	(34.2)	2.9
Balance at 31 March 2005, as restated	609.1	448.2	64.4	37.1	--	10,653.5	11,812.3
Effect of adopting FRS 39	--	--	--	--	151.7	31.4	183.1
	609.1	448.2	64.4	37.1	151.7	10,684.9	11,995.4
Net fair value changes on available-for-sale assets	--	--	--	--	(0.2)	--	(0.2)
Net fair value changes on cash flow hedges	--	--	--	--	(64.6)	--	(64.6)
Share-based payment	--	--	--	7.5	--	--	7.5
Share options exercised	*	0.1	--	--	--	--	0.1
Net gains and losses not recognised in the profit and loss account	*	0.1	--	7.5	(64.8)	--	(57.2)
Profit for the period April-June 2005	--	--	--	--	--	101.0	101.0
Balance at 30 June 2005	609.1	448.3	64.4	44.6	86.9	10,785.9	12,039.2
Balance at 31 March 2004, as previously reported	609.1	447.2	64.4	--	--	9,805.0	10,925.7
Effect of adopting FRS 102	--	--	--	9.4	--	(8.7)	0.7
Balance at 31 March 2004, as restated	609.1	447.2	64.4	9.4	--	9,796.3	10,926.4
Share-based payment	--	--	--	3.1	--	--	3.1
Net gains and losses not recognised in the profit and loss account	--	--	--	3.1	--	--	3.1
Profit for the period April- June 2004	--	--	--	--	--	133.0	133.0
Balance at 30 June 2004	609.1	447.2	64.4	12.5	--	9,929.3	11,062.5

* Amount less than \$0.1 million.

During the year, 11,060 ordinary shares of \$0.50 par value were issued at exercise price of \$10.34 each and 1,460 ordinary shares of \$0.50 par value were issued at exercise price of \$10.70 each, pursuant to the Employee Share Option Plan. Share capital and share premium increased by \$6,260 and \$123,722 respectively.

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 OPTIONS ON SHARES IN THE COMPANY

(i) As at 30 June 2004, the number of share option of the company outstanding was 63,068,212.

(ii) During the period April to June 2005, 12,520 shares were exercised under the SIA Company 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.

(ii) The movement of share options of the Company during the period April to June 2005 is as follows:

Date of grant	Balance at 01.04.2005	Cancelled	Exercised during 01.04.2005 to 30.06.2005	Balance at 30.06.2005	Exercise price	Expiry date
28.03.2000	12,524,010	(264,000)	-	12,260,010	\$15.34	27.03.2010
03.07.2000	11,374,220	(9,700)	-	11,364,520	\$16.65	02.07.2010
02.07.2001	12,528,300	(20,045)	-	12,508,255	\$11.96	01.07.2011
01.07.2002	12,959,332	(19,665)	-	12,939,667	\$12.82	30.06.2012
01.07.2003	12,297,818	(27,345)	(11,060)	12,259,413	\$10.34	30.06.2013
01.07.2004	12,654,935	(40,755)	(1,460)	12,612,720	\$10.70	30.06.2014
	74,338,615	(381,510)	(12,520)	73,944,585		

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

The figures have not been audited or reviewed.

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

Not applicable.

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 financial statements for the current financial period compared to the audited financial statements as at 31 March 2005 except for the adoption of all the new and revised Financial Reporting Standards (FRS) that became effective for the Group for the financial year beginning 1 April 2005.

The adoption of these new and revised FRSs did not have any significant financial impact to the Group except as discussed below:

(i) Effect of changes to the Profit and Loss Account for the first quarter ended 30 June 2005.

	Increase/(decrease)		Earnings per share	
	Profit before tax \$ million	Profit after tax ^{R1} \$ million	Basic Cents	Diluted Cents
FRS 16	74.1	59.3	4.9	4.9
FRS 28	8.9	6.3	0.5	0.5
FRS 39	8.1	6.5	0.5	0.5
FRS 102	(10.7)	(10.7)	(0.9)	(0.9)
	80.4	61.4	5.0	5.0

^{R1} The profit after tax refers to the profit for the period April-June 2005.

(ii) Description of changes

FRS 16: Property, Plant and Equipment

FRS 16 has been revised to require major inspection costs to be capitalised. Accordingly, the portion of aircraft maintenance and overhaul costs relating to heavy maintenance visits and engine overhauls are now capitalised and depreciated over four years. Prior to FY2005-06, such costs have been charged to the profit and loss account on an incurred basis.

The revised treatment is applied prospectively and accordingly, the current financial period's aircraft maintenance and overhaul costs of the Group is lower by \$79.9 million and depreciation expenses has been increased by \$5.8 million. As a result, the profit after tax of the Group for the period April-June 2005 is higher by \$59.3 million, and the basic and diluted earnings per share are both higher by 4.9 cents.

FRS 28: Investments in Associates

FRS 28 requires appropriate adjustments to be made to the associated companies' financial statements to align them to the Group's accounting policies for reporting like transactions and other events in similar circumstances. The alignment of the different accounting policies has resulted in:

	Increased/(decreased) by \$ million
Profit for the period April-June 2005	6.3
Fair value reserve as at 1 April 2005	(44.6)
General reserve as at 31 March 2004	(87.8)
General reserve as at 31 March 2005	(87.8)
General reserve as at 1 April 2005	69.7
Associated companies as at 31 March 2004	(87.8)
Associated companies as at 31 March 2005	(87.8)
Associated companies as at 1 April 2005	25.1

The impact on both the Group's basic and diluted earnings per share is an increase of 0.5 cent.

FRS 39: Financial Instruments: Recognition and Measurement

FRS 39 sets out the new requirement for the recognition, derecognition and measurement of the Group's financial instruments and hedge accounting. The adoption of FRS 39 has resulted in the Group recognising available-for-sale investments and all derivative financial instruments as assets or liabilities at fair value.

In accordance with the transitional provisions of FRS 39, the comparative financial statements for FY2004-05 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 April 2005.

	Increased by \$ million
General reserve	37.2
Fair value reserve	176.4
Minority interests	0.8
Deferred tax	53.6
Trade debtors	310.3
Trade creditors	42.3

Profit for the period April-June 2005 increased by \$6.5 million and the impact on both the Group's basic and diluted earnings per share is an increase of 0.5 cent.

FRS 102: Share-based Payments

FRS 102 requires the Group to recognise an expense in the profit and loss account with a corresponding increase in equity for share options granted after 22 November 2002 and not vested by 1 April 2005. The total amount to be recognised as an expense in the profit and loss account is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in the profit and loss account and a corresponding adjustment to equity over the remaining vesting period.

The application of FRS 102 is retrospective and accordingly, the comparative financial statements are restated and the financial impact on the Group is as follows:

	Increased/(decreased) by \$ million
Profit for the period April-June 2004	(4.0)
Profit for the period April-June 2005	(10.7)
General reserve as at 31 March 2004	(11.9)
General reserve as at 31 March 2005	(48.4)
Share-based compensation reserve as at 31 March 2004	11.9
Share-based compensation reserve as at 31 March 2005	48.4

	Decreased by Cents
Basic earnings per share for the quarter ended 30 June 2004	(0.3)
Basic earnings per share for the quarter ended 30 June 2005	(0.9)
Diluted earnings per share for the quarter ended 30 June 2004	(0.3)
Diluted earnings per share for the quarter ended 30 June 2005	(0.9)

FRS 103: Business Combinations; FRS 36: Impairment of Assets; and FRS 38: Intangible Assets

The new accounting standard FRS 103: Business Combinations has resulted in consequential amendments to two other accounting standards, FRS 36: Impairment of Assets and FRS 38: Intangible Assets.

Under FRS 103, goodwill acquired in a business combination is no longer subject to amortisation to the profit and loss account. Instead, it is subject to impairment review annually or whenever there is an indication that the goodwill is impaired as required by the revised FRS 36. Any impairment loss is charged to the profit and loss account and subsequent reversal is not allowed.

The Group adopted FRS 103 with effect from 1 April 2005, including the provisions related to the limited retrospective application of this standard. Accordingly, the general reserve as at 31 March 2005 has been restated to reflect an increase of \$0.5 million.

Previously, goodwill was amortised using the straight line method over a period of between ten and twenty years. No goodwill amortisation was recorded for the first quarter of FY2005-06 (first quarter of FY2004-05: \$0.7 million). The intangible amortisation recorded in the first quarter of FY2005-06 was \$2.0 million.

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.

Please refer to paragraph 4.

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	
	1st Quarter 2005-06	1st Quarter 2004-05 (Restated)
Earnings per share (cents)		
- Basic	19.3	20.9
- Diluted	19.2	20.9

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital 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 30 Jun 05	As at 31 Mar 05 (Restated)	As at 30 Jun 05	As at 31 Mar 05 (Restated)
Net asset value per ordinary share (\$)	10.52	10.14	9.88	9.70

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.

REVENUE GROWTH HELPS DEFRAY IMPACT OF FUEL COSTS

The Group turned in a first quarter net profit attributable to shareholders of \$235 million, a decline of \$20 million (-7.9%) from the \$255 million achieved last year.

Group revenue improved \$320 million (+11.7%) to \$3,044 million, on the back of growth in passenger and cargo traffic. However, Group expenditure grew by a higher amount of \$370 million (+15.3%) to \$2,791 million. The increase in expenditure was largely because of rising fuel costs. Net fuel costs amounting to \$892 million, accounted for 32.0% of the Group expenditure in the quarter, up from 23.3% the year before. Higher fuel prices added \$363 million (before hedging) to expenditure. Fuel hedging gain for the quarter amounted to \$118 million.

Exchange rate movements resulted in a negative contribution of \$10 million to Group operating profit in the quarter, largely due to movements in key currencies, particularly the Australian Dollar, Euro, Japanese Yen and US Dollar, against the Singapore Dollar. For perspective, exchange rate movements added \$81 million to the operating profit of the Group in the first quarter of financial year 2004-05.

Operating profit contribution of companies in the Group is as follows:

	1st Quarter 2005-06		1st Quarter 2004-05 \$ million	Year-on-Year Change	
	\$ million	%		\$ million	\$ million
Singapore Airlines	119	47.2	160	-	41
Singapore Airport Terminal Services (SATS) Group	53	20.8	50	+	3
SIA Engineering (SIAEC) Group	33	13.0	33	-	-
SIA Cargo	25	10.0	50	-	25
Others	23	9.0	10	+	13
	253	100.0	303	-	50

9 Whether a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Actual results are in line with the previous statement.

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.

SUBSEQUENT EVENTS

On 7 July 2005 Singapore Airlines announced an increase of the fuel surcharge on tickets sold, from 20 July 2005. The change will give partial relief to higher operating costs arising from the persistently high jet fuel price (which is currently around US\$70 per barrel as compared to US\$48 per barrel a year ago).

Singapore Airlines Cargo launched a new twice-weekly service to Johannesburg on 6 July 2005. With the launch of the new Boeing 747-400 freighter service linking South Africa with Europe, USA and Asia, SIA Cargo's freighter network has expanded to cover 36 cities in 21 countries.

FUEL PRICES AND COST MANAGEMENT DOMINATE OUTLOOK

Demand for air travel has remained firm so far despite rising fuel prices in recent months. However on the cost side, in a persistently high fuel price environment, the benefits of hedging will reduce because the hedge program is being implemented at higher prices.

From September 2005, Singapore Airlines will re-structure six of the weekly frequencies to Tokyo to operate via Bangkok.

Companies in the Group are continuing to actively manage costs and capacity utilisation, and to improve productivity without compromising service levels to our customers.

11 Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13 Interested Person Transactions For the Company

Name of Interested Person	Aggregate value of all interested person transactions during the quarter under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding IPTs less than \$100,000)	
	1st Quarter 2005-06 S(\$)	1st Quarter 2004-05 S(\$)	1st Quarter 2005-06 S(\$)	1st Quarter 2004-05 S(\$)
Singapore Petroleum Company Ltd	-	-	110,447,831	66,707,781
Raffles Holdings Ltd Group:				
- Hotel International AG	-	-	-	134,320
- MCH Services (Sydney) Pte Ltd	-	-	196,965	196,965
Singapore Post Ltd Group:				
- Singapore Post Ltd	-	-	1,255,454	-
- G3 Worldwide Mail (S) Pte Ltd	-	-	274,717	388,435
Keppel Telecommunications & Transportation Ltd Group:				
- Asia Airfreight Terminal Company Ltd	-	-	5,340,259	5,338,806
SembCorp Logistics Ltd Group:				
-Singapore Technologies Logistics Pte Ltd	-	-	377,037	316,930
Singapore Technologies Engineering Ltd Group:				
- ST Aerospace Engineering Pte Ltd	-	-	127,503	102,232
Temasek Holdings Pte Ltd Group (other than the above):				
- Senoko Energy Supply Pte Ltd	-	-	812,381	883,719
- Temasek Tower Limited	-	-	-	2,284,103
- Trusted Hub Ltd	-	-	164,970	-
- PT Bank Internasional Indonesia	-	-	126,195	-
- Dahlia Investments Pte Ltd	50,400,000	-	-	-
Total	50,400,000	-	119,123,312	76,353,291

BY ORDER OF THE BOARD

Ms Wun Wen-na
Company Secretary
29 July 2005