



**UNAUDITED RESULTS FOR HALF YEAR AND SECOND QUARTER
ENDED 30 SEPTEMBER 2006**

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 SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2006 (in \$ million)

	The Group		The Group	
	2nd Quarter 2006-07	2nd Quarter 2005-06	1st Half 2006-07	1st Half 2005-06
REVENUE	3,608.6	3,350.3	7,029.6	6,394.7
EXPENDITURE				
Staff costs	634.8	606.3	1,207.0	1,199.0
Fuel costs	1,334.2	1,046.8	2,557.4	1,938.8
Depreciation	322.4	303.3	639.1	594.7
Amortisation of intangible assets	12.4	13.6	25.5	26.6
Aircraft maintenance and overhaul costs	81.1	75.8	197.0	166.9
Commission and incentives	105.6	123.8	200.3	227.2
Landing, parking and overflying charges	164.1	167.0	326.2	330.2
Handling charges	152.6	151.7	298.7	300.2
Rentals on leased aircraft	100.0	85.0	188.1	161.9
Material costs	78.3	84.1	164.9	156.4
Inflight meals	65.6	63.7	129.1	123.3
Advertising and sales costs	63.3	64.9	120.1	118.8
Insurance expenses	26.3	29.8	51.8	60.6
Company accommodation and utilities	42.4	39.3	83.1	77.2
Other passenger costs	35.1	30.6	62.9	57.5
Crew expenses	31.7	28.4	61.8	56.4
Other operating expenses	99.3	105.6	183.4	215.3
	3,349.2	3,019.7	6,496.4	5,811.0
OPERATING PROFIT	259.4	330.6	533.2	583.7
Finance charges	(38.9)	(25.6)	(63.6)	(48.7)
Interest income	44.5	21.6	79.4	42.9
(Loss)/surplus on disposal of aircraft, spares and spare engines	(1.3)	26.9	108.6	29.4
Surplus on disposal of other fixed assets	3.5	4.0	7.1	4.1
Dividends from long-term investments, gross	21.9	12.5	26.6	13.5
Impairment of long-term investments	--	--	(0.1)	(0.6)
Amortisation of deferred gain	0.3	0.2	0.7	0.7
Share of profits of joint venture companies	17.9	11.6	34.7	19.7
Share of profits of associated companies	97.1	82.5	114.1	125.9
PROFIT BEFORE EXCEPTIONAL ITEMS	404.4	464.3	840.7	770.6
Exceptional item	--	--	223.3	--
PROFIT BEFORE TAXATION	404.4	464.3	1,064.0	770.6
TAXATION	(90.2)	(103.5)	(155.6)	(158.4)
PROFIT FOR THE PERIOD	314.2	360.8	908.4	612.2
PROFIT ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	293.2	343.2	868.3	577.8
MINORITY INTERESTS	21.0	17.6	40.1	34.4
	314.2	360.8	908.4	612.2
BASIC EARNINGS PER SHARE (CENTS)	23.9	28.2	70.8	47.4
DILUTED EARNINGS PER SHARE (CENTS)	23.8	28.2	70.5	47.4

Notes:

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

	The Group		The Group	
	2nd Quarter 2006-07	2nd Quarter 2005-06	1st Half 2006-07	1st Half 2005-06
Interest income from short-term investments	(0.2)	(0.2)	(0.4)	(0.4)
Dividend income from short-term investments	(0.3)	(0.3)	(0.6)	(0.6)
Interest income	(44.5)	(21.6)	(79.4)	(42.9)
Finance charges	38.9	25.6	63.6	48.7
Amortisation of deferred gain on sale and leaseback transactions	(22.8)	(27.9)	(45.1)	(55.8)
Surplus on disposal of short-term investments	(0.5)	(1.1)	(1.5)	(1.7)
Bad debts written off	1.2	0.8	1.1	1.2
Impairment/(writeback) of trade debtors	1.8	1.9	(0.9)	4.8
Exchange loss, net	11.6	17.7	23.4	61.4
Adjustment for over provision of tax in respect of prior years	(0.5)	--	(1.3)	(12.0)

(ii) The exceptional item was in respect of the following:

	The Group		The Group	
	2nd Quarter 2006-07	2nd Quarter 2005-06	1st Half 2006-07	1st Half 2005-06
Surplus on sale of SIA Building	--	--	223.3	--

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 AS AT 30 SEPTEMBER 2006 (in \$ million)

	The Group		The Company	
	30-Sep 2006	31-Mar 2006	30-Sep 2006	31-Mar 2006
SHARE CAPITAL	1,278.0	1,202.6	1,278.0	1,202.6
RESERVES				
Capital reserve	40.8	40.8	--	--
Foreign currency translation reserve	(39.9)	(30.5)	--	--
Share-based compensation reserve	87.7	81.8	66.5	63.1
Fair value reserve	(63.8)	163.6	(97.1)	35.6
General reserve	12,472.9	12,012.3	11,446.2	10,943.3
	12,497.7	12,268.0	11,415.6	11,042.0
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	13,775.7	13,470.6	12,693.6	12,244.6
MINORITY INTERESTS	402.7	396.3	--	--
TOTAL EQUITY	14,178.4	13,866.9	12,693.6	12,244.6
DEFERRED ACCOUNT	396.6	349.6	301.0	254.9
DEFERRED TAXATION	2,555.7	2,486.1	2,028.3	1,950.5
LONG-TERM LIABILITIES	1,997.8	1,824.4	1,020.7	1,022.3
	19,128.5	18,527.0	16,043.6	15,472.3
Represented by:-				
FIXED ASSETS				
Aircraft, spares and spare engines	11,647.5	12,208.4	8,594.1	9,150.9
Land and buildings	829.0	972.1	168.9	297.0
Others	3,188.8	2,344.2	2,912.6	2,046.5
	15,665.3	15,524.7	11,675.6	11,494.4
INTANGIBLE ASSETS	105.9	121.7	68.5	77.2
SUBSIDIARY COMPANIES	--	--	1,938.8	1,938.4
ASSOCIATED COMPANIES	1,011.2	996.3	1,722.2	1,722.2
JOINT VENTURE COMPANIES	388.5	362.6	159.1	159.1
LONG-TERM INVESTMENTS	418.3	425.9	394.0	401.5
CURRENT ASSETS				
Section 44 tax prepayments	166.2	166.2	166.2	166.2
Stocks	575.8	517.5	496.4	458.5
Trade debtors	1,763.4	1,610.8	1,164.1	1,055.0
Amounts owing by subsidiary companies	--	--	239.2	230.9
Amounts owing by associated companies	5.0	3.7	--	--
Loan-receivable within one year	42.8	42.0	--	--
Investments	761.2	446.5	622.6	346.1
Cash and bank balances	3,529.1	3,151.6	3,074.8	2,765.1
	6,843.5	5,938.3	5,763.3	5,021.8
Less: CURRENT LIABILITIES				
Sales in advance of carriage	1,338.5	1,191.6	1,317.9	1,164.4
Deferred revenue	355.7	309.9	355.7	309.9
Current tax payable	313.7	303.2	199.3	199.3
Trade creditors	2,765.3	2,546.2	1,984.2	1,798.2
Amounts owing to subsidiary companies	--	--	1,364.1	1,442.0
Finance lease commitments-repayable within one year	488.1	464.6	428.1	419.5
Loans-repayable within one year	13.1	16.6	--	--
Bank overdrafts	29.8	10.4	28.6	9.0
	5,304.2	4,842.5	5,677.9	5,342.3
NET CURRENT ASSETS/(LIABILITIES)	1,539.3	1,095.8	85.4	(320.5)
	19,128.5	18,527.0	16,043.6	15,472.3

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 September 2006		As at 31 March 2006	
Secured	Unsecured	Secured	Unsecured
\$500.4M	\$30.6M	\$480.4M	\$11.2M

Amount repayable after one year

As at 30 September 2006		As at 31 March 2006	
Secured	Unsecured	Secured	Unsecured
\$897.8M	\$1,100.0M	\$723.3M	\$1,101.1M

Details of any collateral

\$123.8 million of the secured borrowings are secured by a first priority mortgage over 1 B747-400 freighter, of which \$12.0 million is repayable within one year. In addition, the UOB loan (\$2.9 million) obtained by SATS Group is secured by First Legal Mortgage on the building at 22 Senoko Way Singapore 758044. Another \$2.0 million obtained by SIAEC Group is secured over factory premises. The remaining secured borrowings pertained to finance leases of aircraft (\$1,269.5 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 SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2006 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2006-07	2nd Quarter 2005-06	1st Half 2006-07	1st Half 2005-06
NET CASH PROVIDED BY OPERATING ACTIVITIES	450.9	530.4	826.4	1,136.8
CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure	(608.1)	(401.7)	(1,263.8)	(846.0)
Purchase of intangible assets - application software	(3.9)	(13.9)	(9.7)	(20.4)
Proceeds from disposal of aircraft and other fixed assets	344.5	57.2	919.7	60.8
Return of capital from associated companies	--	1.8	--	1.8
Investments in associated companies	--	--	--	(2.2)
Additional long-term investments	--	(1.4)	--	(1.4)
Additional long-term loan	--	--	--	(0.9)
Loans to associated companies	--	0.1	--	--
Repayment of loans	--	0.6	--	0.6
Dividends received from associated and joint venture companies	6.2	13.4	15.9	19.0
Dividends received from investments	21.9	14.1	27.4	14.1
Interest received from investments and deposits	51.8	19.4	76.6	39.5
NET CASH USED IN INVESTING ACTIVITIES	(187.6)	(310.4)	(233.9)	(735.1)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	(429.4)	(365.7)	(429.4)	(365.7)
Dividends paid by subsidiary companies to minority interests	(59.0)	(18.9)	(59.0)	(18.9)
Interest paid	(32.0)	(30.3)	(53.9)	(47.9)
Repayment of borrowings	(2.9)	(6.4)	(10.6)	(12.6)
Proceeds from/(repayment of) long-term lease liabilities	235.8	(14.4)	228.5	(21.6)
Proceeds from issuance of share capital by subsidiary companies to minority interests	--	4.4	--	9.5
Proceeds from exercise of employee share options	78.1	40.9	105.4	50.1
NET CASH USED IN FINANCING ACTIVITIES	(209.4)	(390.4)	(219.0)	(407.1)
NET CASH INFLOW/(OUTFLOW)	53.9	(170.4)	373.5	(5.4)
CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD	3,456.2	2,988.9	3,141.2	2,814.0
Effect of exchange rate changes	(10.8)	(6.2)	(15.4)	3.7
CASH AND CASH EQUIVALENTS AT END PERIOD	3,499.3	2,812.3	3,499.3	2,812.3
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Fixed deposits	2,773.8	851.1	2,773.8	851.1
Cash and bank	755.3	1,972.5	755.3	1,972.5
Bank overdrafts	(29.8)	(11.3)	(29.8)	(11.3)
CASH AND CASH EQUIVALENTS AT END PERIOD	3,499.3	2,812.3	3,499.3	2,812.3

CASH FLOW FROM OPERATING ACTIVITIES (in \$ million)

	The Group		The Group	
	2nd Quarter 2006-07	2nd Quarter 2005-06	1st Half 2006-07	1st Half 2005-06
Profit before taxation	404.4	464.3	1,064.0	770.6
Adjustments for:-				
Depreciation	322.4	303.3	639.1	594.7
Amortisation of intangible assets	12.4	13.6	25.5	26.6
Income from short-term investments	(0.5)	(0.5)	(1.0)	(1.0)
Share-based compensation expense	12.6	12.5	25.2	23.4
Exchange differences	30.6	(2.6)	23.8	(13.8)
Amortisation of deferred gain on sale and leaseback transactions	(22.8)	(27.9)	(45.1)	(55.8)
Finance charges	38.9	25.6	63.6	48.7
Interest income	(44.5)	(21.6)	(79.4)	(42.9)
Loss/(surplus) on disposal of aircraft, spares and spare engines	1.3	(26.9)	(108.6)	(29.4)
Surplus on disposal of other fixed assets	(3.5)	(4.0)	(7.1)	(4.1)
Dividends from long-term investments, gross	(21.9)	(12.5)	(26.6)	(13.5)
Impairment of long-term investments	--	--	0.1	0.6
Amortisation of deferred gain	(0.3)	(0.2)	(0.7)	(0.7)
Share of profits of joint venture companies	(17.9)	(11.6)	(34.7)	(19.7)
Share of profits of associated companies	(97.1)	(82.5)	(114.1)	(125.9)
Surplus on sale of SIA Building	--	--	(223.3)	--
Operating profit before working capital changes	614.1	629.0	1,200.7	1,157.8
(Decrease)/increase in creditors	(109.4)	(161.2)	42.7	(9.4)
Decrease/(increase) in short term investments	30.3	(2.7)	(304.2)	(33.4)
Increase in sales in advance of carriage	23.6	12.4	146.9	167.7
(Increase)/decrease in debtors	(100.2)	45.0	(210.9)	(110.6)
(Increase)/decrease in stocks	(9.5)	21.5	(58.3)	(40.2)
Increase in deferred revenue	30.4	14.3	45.8	28.5
(Increase)/decrease in amounts owing by associated and joint venture companies	(1.5)	(0.9)	(1.3)	13.7
Cash generated from operations	477.8	557.4	861.4	1,174.1
Income taxes paid	(26.9)	(27.0)	(35.0)	(37.3)
Net cash provided by operating activities	450.9	530.4	826.4	1,136.8

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 SECOND QUARTER ENDED 30 SEPTEMBER 2006 (in \$ million)**

The Group	Attributable to Equity Holders of the Company								Total equity
	Share capital	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Minority interests	
Balance at 1 July 2006	1,216.5	40.8	(38.2)	91.8	140.3	12,593.4	14,044.6	424.1	14,468.7
Currency translation differences	--	--	(1.7)	--	--	--	(1.7)	(1.2)	(2.9)
Net fair value changes on available-for-sale assets	--	--	--	--	6.6	--	6.6	--	6.6
Net fair value changes on cash flow hedges	--	--	--	--	(210.7)	--	(210.7)	--	(210.7)
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	12.4	12.4	17.0	29.4
Net income and expense not recognised in the profit and loss account	--	--	(1.7)	--	(204.1)	12.4	(193.4)	15.8	(177.6)
Profit for the period July-September 2006	--	--	--	--	--	293.2	293.2	21.0	314.2
Net income and expense recognised for the period	--	--	(1.7)	--	(204.1)	305.6	99.8	36.8	136.6
Share-based payment	--	--	--	12.6	--	--	12.6	0.8	13.4
Share options exercised	61.5	--	--	(13.4)	--	--	48.1	--	48.1
Share options lapsed	--	--	--	(3.3)	--	3.3	--	--	--
Dividends	--	--	--	--	--	(429.4)	(429.4)	(59.0)	(488.4)
Balance at 30 September 2006	1,278.0	40.8	(39.9)	87.7	(63.8)	12,472.9	13,775.7	402.7	14,178.4

**STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2005 (in \$ million)**

The Group	Attributable to Equity Holders of the Company										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	Minority interests	
Balance at 1 July 2005	609.1	448.3	64.4	41.9	7.8	58.6	104.6	11,472.0	12,806.7	332.0	13,138.7
Currency translation differences	--	--	--	--	0.3	--	--	--	0.3	1.0	1.3
Net fair value changes on available-for-sale assets	--	--	--	--	--	--	0.8	--	0.8	--	0.8
Net fair value changes on cash flow hedges	--	--	--	--	--	--	71.8	--	71.8	--	71.8
Share of an associated company's fair value reserve	--	--	--	--	--	--	10.7	--	10.7	--	10.7
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	--	--	10.3	10.3	21.2	31.5
Net income not recognised in the profit and loss account	--	--	--	--	0.3	--	83.3	10.3	93.9	22.2	116.1
Profit for the period July-September 2005	--	--	--	--	--	--	--	343.2	343.2	17.6	360.8
Net income recognised for the period	--	--	--	--	0.3	--	83.3	353.5	437.1	39.8	476.9
Issuance of share capital by subsidiary companies	--	--	--	--	--	--	--	--	--	4.4	4.4
Share-based payment	--	--	--	--	--	12.6	--	--	12.6	0.5	13.1
Share options exercised	0.6	13.9	--	--	--	(5.5)	--	--	9.0	--	9.0
Dividends	--	--	--	--	--	--	--	(365.7)	(365.7)	(18.9)	(384.6)
Balance at 30 September 2005	609.7	462.2	64.4	41.9	8.1	65.7	187.9	11,459.8	12,899.7	357.8	13,257.5

**STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2006 (in \$ million)**

The Company	Share capital	Share premium	Capital redemption reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 July 2006	1,216.5	--	--	71.3	53.7	11,407.0	12,748.5
Net fair value changes on available-for-sale assets	--	--	--	--	5.1	--	5.1
Net fair value changes on cash flow hedges	--	--	--	--	(155.9)	--	(155.9)
Net expense not recognised in the profit and loss account	--	--	--	--	(150.8)	--	(150.8)
Profit for the period July-September 2006	--	--	--	--	--	466.2	466.2
Net income and expense recognised for the period	--	--	--	--	(150.8)	466.2	315.4
Share-based payment	--	--	--	7.2	--	--	7.2
Share options exercised	61.5	--	--	(9.6)	--	--	51.9
Share options lapsed	--	--	--	(2.4)	--	2.4	--
Dividends	--	--	--	--	--	(429.4)	(429.4)
Balance at 30 September 2006	1,278.0	--	--	66.5	(97.1)	11,446.2	12,693.6
Balance at 1 July 2005	609.1	448.3	64.4	44.6	86.9	10,785.9	12,039.2
Net fair value changes on available-for-sale assets	--	--	--	--	*	--	*
Net fair value changes on cash flow hedges	--	--	--	--	49.8	--	49.8
Net income not recognised in the profit and loss account	--	--	--	--	49.8	--	49.8
Profit for the period July-September 2005	--	--	--	--	--	283.3	283.3
Net income recognised for the period	--	--	--	--	49.8	283.3	333.1
Share-based payment	--	--	--	9.0	--	--	9.0
Share options exercised	0.6	13.9	--	(2.8)	--	--	11.7
Dividends	--	--	--	--	--	(365.7)	(365.7)
Balance at 30 September 2005	609.7	462.2	64.4	50.8	136.7	10,703.5	12,027.3

* Amount less than \$0.1 million.

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 SHARE PLANS IN THE COMPANY

(i) Employee Share Option Plan

As at 30 September 2006, the number of share options of the Company outstanding was 85,450,834 (30 September 2005: 85,637,251).

During the period July to September 2006, 4,680,126 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.

The movement of share options of the Company during the period July to September 2006 is as follows:

Date of grant	Balance at 01.07.2006	Granted during 01.07.2006 to 30.09.2006	Cancelled during 01.07.2006 to 30.09.2006	Exercised during 01.07.2006 to 30.09.2006	Balance at 30.09.2006	Exercise price	Expiry date
28.03.2000	11,760,510	-	(102,200)	-	11,658,310	\$15.34	27.03.2010
03.07.2000	10,917,570	-	(78,600)	-	10,838,970	\$16.65	02.07.2010
02.07.2001	9,786,078	-	(31,350)	(753,188)	9,001,540	\$11.96	01.07.2011
01.07.2002	11,540,542	-	(33,440)	(556,849)	10,950,253	\$12.82	30.06.2012
01.07.2003	8,761,224	-	(9,762)	(1,108,965)	7,642,497	\$10.34	30.06.2013
01.07.2004	11,886,395	-	(24,891)	(2,083,914)	9,777,590	\$10.70	30.06.2014
01.07.2005	13,098,806	-	(83,316)	(177,210)	12,838,280	\$11.28	30.06.2015
03.07.2006	-	12,777,119	(33,725)	-	12,743,394	\$12.60	02.07.2016
	77,751,125	12,777,119	(397,284)	(4,680,126)	85,450,834		

(ii) Restricted Share Plan and Performance Share Plan

At the extraordinary general meeting of the Company held on 28 July 2005, the Company's shareholders approved the adoption of two new share plans, namely the Restricted Share Plan ("RSP") and Performance Share Plan ("PSP"), in addition to the Employee Share Option Plan.

As at 30 September 2006, the number of outstanding shares granted under the Company's RSP and PSP were 260,630 (30 September 2005: Nil) and 140,900 respectively (30 September 2005: Nil).

Depending on the achievement of pre-determined targets over a two-year period for the RSP and a three-year period for the PSP, the final number of restricted shares and performance shares awarded could range between 0% to 120% of the initial grant of the restricted shares and between 0% to 150% of the initial grant of the performance shares.

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

The financial statements have not been audited or reviewed by our auditors.

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 2006.

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.

Not applicable.

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		The Group	
	2nd Quarter 2006-07	2nd Quarter 2005-06	1st Half 2006-07	1st Half 2005-06
Earnings per share (cents)				
- Basic	23.9	28.2	70.8	47.4
- Diluted	23.8	28.2	70.5	47.4

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 Sep 06	As at 31 Mar 06	As at 30 Sep 06	As at 31 Mar 06
Net asset value per ordinary share (\$)	11.20	11.00	10.32	10.00

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.

HIGH FUEL PRICES WEIGH ON GROUP PERFORMANCE

First Half 2006-07

The Group's revenue reached \$7,030 million for the first half of financial year 2006-07, a new record. The \$635 million increase (+9.9%) in revenue is attributed to higher carriage and improved yields, which reflected strong demand.

Group expenditure was \$6,497 million, up \$686 million (+11.8%) from last year, due mainly to higher fuel cost. Consequently, Group's operating profit, at \$533 million, was \$51 million lower (-8.7%) than last year.

The Group's expenditure on fuel rose \$619 million (+31.9%) to \$2,557 million, as the average price of jet fuel increased from US\$74 a barrel last year to US\$90 in the first half of 2006-07. Fuel accounted for 39.4% of Group expenditure, up 6.0 percentage points from the previous year.

Group expenditure excluding fuel increased \$67 million (+1.7%), at a slower pace than overall capacity growth (+3.0%), through ongoing efforts to increase productivity and efficiency.

The Group achieved a net profit attributable to equity holders of \$868 million, an increase of \$290 million (+50.3%). This result was boosted by a significant one-off gain of \$223 million from the sale of the SIA Building in Singapore, recorded during the first quarter.

The Parent Airline Company achieved an operating profit of \$368 million (+17.7%). The Airline's result made up 69.0% (+15.5 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 \$97 million (-10.4%)
- SIA Engineering Company (SIAEC): Profit of \$68 million (+14.1%)
- Singapore Airlines Cargo (SIA Cargo): Loss of \$29 million (Profit of \$68 million in 2005)

Second Quarter 2006-07

The Group achieved a net profit attributable to equity holders of \$293 million in the second quarter, a decline of \$50 million (-14.6%) from the corresponding period last year. Higher fuel cost was the reason.

The Group's revenue increased \$258 million (+7.7%) year-on-year. This increase, driven by a 5.9% growth in passenger traffic and 2.9% in average yield for the Parent Airline Company, was overtaken by higher fuel cost. Group expenditure increased \$329 million (+10.9%), outpacing the growth in revenue. As a result, the Group's operating profit, at \$259 million, was \$71 million (-21.5%) less than the same quarter last year.

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 13 October 2006, Singapore Airlines announced a reduction of the fuel surcharge on tickets sold from 14 October 2006. This is in keeping with the commitment to make adjustments, either up or down, in line with sustained movements in the price of jet fuel. Singapore Airlines will continue to monitor the price of jet fuel and regularly review the level of the surcharge.

OUTLOOK: DEMAND HIGH, NEW CABIN PRODUCTS DEBUT WITH B777-300ER

Looking ahead, demand for air travel is expected to remain buoyant, supported by favourable conditions in the Asian and European economies.

Cargo traffic growth picked up in September, for the first time in the last few months. This produced an operating profit for the month. This momentum is expected to continue in the traditional peak season in the third quarter. Beyond that, uncertainty in the direction of the global economy calls for caution.

On the cost side, the decline in oil prices in recent weeks is a welcome respite from record highs. However, the price of jet fuel is still volatile and remains high. Geopolitical uncertainty could drive prices up again in coming months. The Group remains committed not only to profitability in the face of the high fuel cost environment but also to stay competitive. The recent reduction in fuel surcharge demonstrates this commitment.

As a result of delays in the Airbus A380 production programme, which have been widely reported, the first A380 aircraft will now be delivered in October 2007, with subsequent deliveries in 2008 and beyond. Work is in progress on contingency plans to mitigate the impact of these delays on forward capacity growth.

However, Singapore Airlines will take delivery of the first of 19 Boeing 777-300ERs next month. By the end of March 2007, nine of these aircraft will be delivered, and three Boeing B747-400s de-commissioned. This will increase the operating fleet size to 94 passenger aircraft.

With the impending introduction of these new aircraft, Singapore Airlines has unveiled a suite of new cabin products and services, which will redefine premium air travel. The new seats in all three classes employ innovative design and latest technology to develop the most comfortable cabins in the sky. New technology boosts the entertainment options for customers, and will include, in an industry first, integrated office software in *KrisWorld*, the world's leading inflight entertainment system.

These products will debut on the Singapore – Paris route in early December 2006. They will extend to other routes progressively as more of the B777-300ERs are delivered.

11 Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on? Yes.

Name of dividend	Interim
Dividend type	Cash
Dividend rate	15 cents per ordinary share
Tax rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of dividend	Interim
Dividend type	Cash
Dividend rate	10 cents per ordinary share
Tax rate	Tax exempt (one-tier)

(c) Date payable

The interim dividend will be paid on 23 November 2006.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed on 15 November 2006 for the preparation of dividend warrants. Duly completed and stamped transfers received by the Share Registrar, M&C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to 5.00 p.m. on 14 November 2006 will be registered to determine shareholders' entitlements to the interim dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 14 November 2006 will be entitled to the interim dividend.

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

Not applicable.

13 Interested Person Transactions

Interested person transactions conducted during the second quarter of Financial Year 2006/07:

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)	
	2nd Quarter 2006-07 S(\$)	1st Half 2006-07 S(\$)	2nd Quarter 2006-07 S(\$)	1st Half 2006-07 S(\$)
Singapore Petroleum Company Ltd	-	-	123,726,256	239,507,535
Keppel Telecommunications & Transportation Ltd Group:				
- Asia Airfreight Terminal Company Ltd	-	-	6,110,546	11,761,144
Singapore Technologies Engineering Ltd Group:				
- ST Aerospace Engineering Pte Ltd	-	-	-	126,383
Singapore Telecommunications Limited Group:				
- Singapore Telecommunications Ltd	-	-	-	2,636,050
The Ascott Group Ltd Group:				
- Ascott International Management (New Zealand) Pte Ltd	-	-	107,451	214,902
Singapore Computer Systems Ltd Group:				
- Trusted Hub Ltd	-	-	138,000	276,000
Starhub Ltd	-	-	155,010	155,010
Temasek Holdings Pte Ltd Group (other than the above):				
- Senoko Energy Supply Pte Ltd	-	-	1,205,963	2,263,600
- PT Bank Internasional Indonesia	-	-	244,350	244,350
- Asprewise Pte Ltd	-	-	-	614,106
- Great Wall Airlines Company Ltd	-	-	390,000	10,290,000
Total	-	-	132,077,576	268,089,080

Note: The transactions with Trusted Hub Ltd for the 1st Half 2006-07 included an amount of \$138,000 which was inadvertently omitted in the Q1 06/07 IPT report.

By Order of the Board

Ethel Tan Mei Lian
Company Secretary
27 October 2006

Singapore Company Registration No.: 197200078R

CONFIRMATION BY THE BOARD

We, Stephen Lee Ching Yen and Chew Choon Seng, being two directors of Singapore Airlines Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the second quarter and half year FY2006/07 financial results to be false or misleading.

On behalf of the Board,



STEPHEN LEE CHING YEN
Chairman



CHEW CHOON SENG
Chief Executive Officer

27 October 2006