



## UNAUDITED RESULTS FOR THIRD QUARTER ENDED 31 DECEMBER 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 THIRD QUARTER AND 9 MONTHS ENDED 31 DECEMBER 2006 (in \$ million)

	The Group		The Group	
	3rd Quarter 2006-07	3rd Quarter 2005-06	9 Months 2006-07	9 Months 2005-06
<b>REVENUE</b>	3,793.7	3,557.0	10,823.3	9,951.7
<b>EXPENDITURE</b>				
Staff costs	712.9	612.3	1,919.9	1,811.3
Fuel costs	1,228.6	1,183.4	3,786.0	3,122.2
Depreciation	331.1	313.6	970.2	908.3
Amortisation of intangible assets	16.8	14.1	42.3	40.7
Aircraft maintenance and overhaul costs	63.2	78.6	260.2	245.5
Commission and incentives	102.2	114.1	302.5	341.3
Landing, parking and overflying charges	168.1	163.6	494.3	493.8
Handling charges	157.7	152.5	456.4	452.7
Rentals on leased aircraft	101.4	93.1	289.5	255.0
Material costs	80.0	82.3	244.9	238.7
Inflight meals	68.7	67.1	197.8	190.4
Advertising and sales costs	55.5	52.6	175.6	171.4
Insurance expenses	20.4	28.5	72.2	89.1
Company accommodation and utilities	42.6	45.7	125.7	122.9
Other passenger costs	33.7	30.5	96.6	88.0
Crew expenses	32.4	30.4	94.2	86.8
Other operating expenses	130.7	119.9	314.1	335.2
	<u>3,346.0</u>	<u>3,182.3</u>	<u>9,842.4</u>	<u>8,993.3</u>
<b>OPERATING PROFIT</b>	447.7	374.7	980.9	958.4
Finance charges	(22.9)	(25.4)	(86.5)	(74.1)
Interest income	43.9	25.5	123.3	68.4
Surplus on disposal of aircraft, spares and spare engines	39.3	70.5	147.9	99.9
Dividends from long-term investments, gross	10.3	11.1	36.9	24.6
Impairment of long-term investments	--	--	(0.1)	(0.6)
Other non-operating items	23.5	0.9	31.3	5.7
Share of profits of joint venture companies	12.9	10.9	47.6	30.6
Share of (losses)/profits of associated companies	(38.2)	70.5	75.9	196.4
<b>PROFIT BEFORE EXCEPTIONAL ITEMS</b>	516.5	538.7	1,357.2	1,309.3
Exceptional items	197.7	--	421.0	--
<b>PROFIT BEFORE TAXATION</b>	714.2	538.7	1,778.2	1,309.3
<b>TAXATION</b>	(105.8)	(125.4)	(261.4)	(283.8)
<b>PROFIT FOR THE PERIOD</b>	<u>608.4</u>	<u>413.3</u>	<u>1,516.8</u>	<u>1,025.5</u>
<b>PROFIT ATTRIBUTABLE TO:</b>				
<b>EQUITY HOLDERS OF THE COMPANY</b>	589.2	396.6	1,457.5	974.4
<b>MINORITY INTERESTS</b>	19.2	16.7	59.3	51.1
	<u>608.4</u>	<u>413.3</u>	<u>1,516.8</u>	<u>1,025.5</u>
<b>BASIC EARNINGS PER SHARE (CENTS)</b>	47.7	32.5	118.5	79.9
<b>DILUTED EARNINGS PER SHARE (CENTS)</b>	47.3	32.5	117.8	79.9

**Notes:**

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

	The Group		The Group	
	3rd Quarter 2006-07	3rd Quarter 2005-06	9 Months 2006-07	9 Months 2005-06
Interest income from short-term investments	(0.2)	(0.2)	(0.6)	(0.6)
Dividend income from short-term investments	(0.1)	--	(0.7)	(0.6)
Interest income	(43.9)	(25.5)	(123.3)	(68.4)
Finance charges	22.9	25.4	86.5	74.1
Amortisation of deferred gain on sale and leaseback transactions	(21.8)	(25.4)	(66.9)	(81.2)
Surplus on disposal of short-term investments	(1.0)	(0.6)	(2.5)	(2.3)
Bad debts written off	0.1	0.4	1.2	1.6
Impairment/(writeback) of trade debtors	0.1	(2.8)	(0.8)	2.0
Exchange loss, net	46.0	65.8	69.4	127.2
Adjustment for (over)/under provision of tax in respect of prior years	(0.1)	0.3	(1.4)	(11.7)

**(ii) The non-operating items comprise the following:**

	The Group		The Group	
	3rd Quarter 2006-07	3rd Quarter 2005-06	9 Months 2006-07	9 Months 2005-06
Surplus on dissolution of Asia Leasing Limited	1.2	--	1.2	--
Recognition of liquidated damages	21.9	--	21.9	--
Surplus on disposal of other fixed assets	0.1	0.6	7.2	4.7
Amortisation of deferred gain	0.3	0.3	1.0	1.0
	<u>23.5</u>	<u>0.9</u>	<u>31.3</u>	<u>5.7</u>

**(iii) The exceptional items are in respect of the following:**

	The Group		The Group	
	3rd Quarter 2006-07	3rd Quarter 2005-06	9 Months 2006-07	9 Months 2005-06
Surplus on sale of SIA Building	--	--	223.3	--
Surplus on sale of the 35.5% equity stake in Singapore Aircraft Leasing Enterprise Pte Ltd (SALE)	197.7	--	197.7	--
	<u>197.7</u>	<u>--</u>	<u>421.0</u>	<u>--</u>

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 31 DECEMBER 2006 (in \$ million)**

	The Group		The Company	
	31-Dec 2006	31-Mar 2006	31-Dec 2006	31-Mar 2006
<b>SHARE CAPITAL</b>	1,418.1	1,202.6	1,418.1	1,202.6
<b>RESERVES</b>				
Capital reserve	30.5	40.8	--	--
Foreign currency translation reserve	(47.6)	(30.5)	--	--
Share-based compensation reserve	88.9	81.8	64.5	63.1
Fair value reserve	(195.2)	163.6	(137.7)	35.6
General reserve	12,887.2	12,012.3	11,953.3	10,943.3
	12,763.8	12,268.0	11,880.1	11,042.0
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	14,181.9	13,470.6	13,298.2	12,244.6
<b>MINORITY INTERESTS</b>	410.0	396.3	--	--
<b>TOTAL EQUITY</b>	14,591.9	13,866.9	13,298.2	12,244.6
<b>DEFERRED ACCOUNT</b>	931.1	349.6	838.8	254.9
<b>DEFERRED TAXATION</b>	2,577.7	2,486.1	2,057.3	1,950.5
<b>LONG-TERM LIABILITIES</b>	1,953.3	1,824.4	1,016.6	1,022.3
	20,054.0	18,527.0	17,210.9	15,472.3
Represented by:-				
<b>FIXED ASSETS</b>				
Aircraft, spares and spare engines	12,771.4	12,208.4	9,748.5	9,150.9
Land and buildings	816.3	972.1	165.0	297.0
Others	2,639.0	2,344.2	2,356.5	2,046.5
	16,226.7	15,524.7	12,270.0	11,494.4
<b>INTANGIBLE ASSETS</b>	104.4	121.7	69.4	77.2
<b>SUBSIDIARY COMPANIES</b>	--	--	1,934.4	1,938.4
<b>ASSOCIATED COMPANIES</b>	914.1	996.3	1,722.2	1,722.2
<b>JOINT VENTURE COMPANIES</b>	82.2	362.6	--	159.1
<b>LONG-TERM INVESTMENTS</b>	405.6	425.9	381.3	401.5
<b>OTHER RECEIVABLES</b>	187.3	--	187.3	--
<b>CURRENT ASSETS</b>				
Section 44 tax prepayments	32.8	166.2	32.8	166.2
Stocks	585.7	517.5	479.5	458.5
Trade debtors	2,079.5	1,610.8	1,481.4	1,055.0
Amounts owing by subsidiary companies	--	--	252.7	230.9
Amounts owing by associated companies	4.2	3.7	--	--
Loan-receivable within one year	41.3	42.0	--	--
Investments	746.1	446.5	577.7	346.1
Cash and bank balances	4,101.2	3,151.6	3,652.4	2,765.1
	7,590.8	5,938.3	6,476.5	5,021.8
Less: <b>CURRENT LIABILITIES</b>				
Sales in advance of carriage	1,347.0	1,191.6	1,322.9	1,164.4
Deferred revenue	369.7	309.9	369.7	309.9
Current tax payable	247.7	303.2	131.9	199.3
Trade creditors	2,988.2	2,546.2	2,108.5	1,798.2
Amounts owing to subsidiary companies	--	--	1,464.7	1,442.0
Finance lease commitments-repayable within one year	472.1	464.6	413.6	419.5
Loans-repayable within one year	12.8	16.6	--	--
Bank overdrafts	19.6	10.4	18.9	9.0
	5,457.1	4,842.5	5,830.2	5,342.3
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	2,133.7	1,095.8	646.3	(320.5)
	20,054.0	18,527.0	17,210.9	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 31 December 2006		As at 31 March 2006	
Secured	Unsecured	Secured	Unsecured
\$484.8M	\$19.7M	\$480.4M	\$11.2M

Amount repayable after one year

As at 31 December 2006		As at 31 March 2006	
Secured	Unsecured	Secured	Unsecured
\$853.3M	\$1,100M	\$723.3M	\$1,101.1M

Details of any collateral

\$116.7 million of the secured borrowings are secured by a first priority mortgage over 1 B747-400 freighter, of which \$11.7 million is repayable within one year. In addition, the UOB loan (\$3.6 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 (\$1,215.8 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 THIRD QUARTER AND 9 MONTHS ENDED 31 DECEMBER 2006 (in \$ million)**

	The Group		The Group	
	3rd Quarter 2006-07	3rd Quarter 2005-06	9 Months 2006-07	9 Months 2005-06
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	1,072.7	661.5	1,899.1	1,798.3
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure	(975.8)	(607.0)	(2,239.6)	(1,453.0)
Purchase of intangible assets - application software	(15.3)	(3.6)	(25.0)	(24.0)
Proceeds from disposal of aircraft and other fixed assets	112.6	421.0	1,032.3	481.8
Return of capital from associated companies	--	1.5	--	3.3
Investments in associated companies	--	(13.5)	--	(15.7)
Additional long-term loan	0.7	0.3	0.7	--
Additional long-term investments	--	(89.4)	--	(90.8)
Proceeds from sale of long-term investments	--	90.4	--	90.4
Proceeds from disposal of a joint venture company	509.4	--	509.4	--
Dividends received from associated and joint venture companies	11.4	47.9	27.3	66.9
Dividends received from investments	10.3	11.1	37.7	25.2
Interest received from investments and deposits	34.0	17.9	110.6	57.4
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(312.7)</b>	<b>(123.4)</b>	<b>(546.6)</b>	<b>(858.5)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividends paid	(185.4)	(121.9)	(614.8)	(487.6)
Dividends paid by subsidiary companies to minority interests	(13.4)	(11.9)	(72.4)	(30.8)
Interest paid	(15.7)	(13.9)	(69.6)	(61.8)
Proceeds from borrowings	--	0.6	--	0.6
Repayment of borrowings	(3.2)	(6.3)	(13.8)	(18.9)
(Repayment of)/proceeds from long-term lease liabilities	(29.5)	(30.2)	199.0	(51.8)
Proceeds from issuance of share capital by subsidiary companies to minority interests	0.1	--	0.1	9.5
Proceeds from exercise of employee share options	135.9	9.2	241.3	59.3
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(111.2)</b>	<b>(174.4)</b>	<b>(330.2)</b>	<b>(581.5)</b>
<b>NET CASH INFLOW</b>	<b>648.8</b>	<b>363.7</b>	<b>1,022.3</b>	<b>358.3</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD</b>	<b>3,499.3</b>	<b>2,812.3</b>	<b>3,141.2</b>	<b>2,814.0</b>
Effect of exchange rate changes	(66.5)	(113.8)	(81.9)	(110.1)
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>4,081.6</b>	<b>3,062.2</b>	<b>4,081.6</b>	<b>3,062.2</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Fixed deposits	3,414.1	2,300.5	3,414.1	2,300.5
Cash and bank	687.1	784.4	687.1	784.4
Bank overdrafts	(19.6)	(22.7)	(19.6)	(22.7)
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>4,081.6</b>	<b>3,062.2</b>	<b>4,081.6</b>	<b>3,062.2</b>

**CASH FLOW FROM OPERATING ACTIVITIES (in \$ million)**

	The Group		The Group	
	3rd Quarter 2006-07	3rd Quarter 2005-06	9 Months 2006-07	9 Months 2005-06
Profit before taxation	714.2	538.7	1,778.2	1,309.3
Adjustments for:-				
Depreciation	331.1	313.6	970.2	908.3
Amortisation of intangible assets	16.8	14.1	42.3	40.7
Income from short-term investments	(0.3)	(0.2)	(1.3)	(1.2)
Share-based compensation expense	17.9	12.7	43.1	36.1
Exchange differences	54.7	115.6	78.5	101.8
Amortisation of deferred gain on sale and leaseback transactions	(21.8)	(25.4)	(66.9)	(81.2)
Finance charges	22.9	25.4	86.5	74.1
Interest income	(43.9)	(25.5)	(123.3)	(68.4)
Surplus on disposal of aircraft, spares and spare engines	(39.3)	(70.5)	(147.9)	(99.9)
Dividends from long-term investments, gross	(10.3)	(11.1)	(36.9)	(24.6)
Impairment of long-term investments	--	--	0.1	0.6
Other non-operating items	(23.5)	(0.9)	(31.3)	(5.7)
Share of profits of joint venture companies	(12.9)	(10.9)	(47.6)	(30.6)
Share of losses/(profits) of associated companies	38.2	(70.5)	(75.9)	(196.4)
Surplus on sale of SIA Building	--	--	(223.3)	--
Surplus on sale of SALE	(197.7)	--	(197.7)	--
Operating profit before working capital changes	846.1	805.1	2,046.8	1,962.9
Increase in creditors	131.6	116.2	174.3	106.8
Decrease/(increase) in short term investments	32.9	(225.1)	(271.3)	(258.5)
Increase/(decrease) in sales in advance of carriage	8.5	(73.1)	155.4	94.6
Decrease/(increase) in debtors	59.1	84.3	(151.8)	(26.3)
Increase in stocks	(9.9)	(31.8)	(68.2)	(72.0)
Increase in deferred revenue	14.0	13.3	59.8	41.8
Decrease/(increase) in amounts owing by associated and joint venture companies	0.8	(0.5)	(0.5)	13.2
Cash generated from operations	1,083.1	688.4	1,944.5	1,862.5
Income taxes paid	(10.4)	(26.9)	(45.4)	(64.2)
Net cash provided by operating activities	1,072.7	661.5	1,899.1	1,798.3

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 THIRD QUARTER ENDED 31 DECEMBER 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 October 2006	1,278.0	40.8	(39.9)	87.7	(63.8)	12,472.9	13,775.7	402.7	14,178.4
Currency translation differences	--	--	(7.7)	--	--	--	(7.7)	(3.5)	(11.2)
Net fair value changes on available-for-sale assets	--	--	--	--	7.4	--	7.4	--	7.4
Net fair value changes on cash flow hedges	--	--	--	--	(138.8)	--	(138.8)	--	(138.8)
Arising from the disposal of a joint venture	--	(10.3)	--	--	--	3.4	(6.9)	--	(6.9)
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	6.7	6.7	3.9	10.6
Net income and expense not recognised in the profit and loss account	--	(10.3)	(7.7)	--	(131.4)	10.1	(139.3)	0.4	(138.9)
Profit for the period October-December 2006	--	--	--	--	--	589.2	589.2	19.2	608.4
Net income and expense recognised for the period	--	(10.3)	(7.7)	--	(131.4)	599.3	449.9	19.6	469.5
Issuance of share capital by a subsidiary company	--	--	--	--	--	--	--	0.1	0.1
Share-based payment	--	--	--	17.9	--	--	17.9	1.0	18.9
Share options exercised	140.1	--	--	(16.3)	--	--	123.8	--	123.8
Share options lapsed	--	--	--	(0.4)	--	0.4	--	--	--
Dividends	--	--	--	--	--	(185.4)	(185.4)	(13.4)	(198.8)
Balance at 31 December 2006	1,418.1	30.5	(47.6)	88.9	(195.2)	12,887.2	14,181.9	410.0	14,591.9

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2005 (in \$ million)**

The Group	Attributable to Equity Holders of the Company										
	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	Total equity
Balance at 1 October 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
Currency translation differences	--	--	--	--	(21.0)	--	--	--	(21.0)	(1.6)	(22.6)
Net fair value changes on available-for-sale assets	--	--	--	--	--	--	3.6	--	3.6	--	3.6
Net fair value changes on cash flow hedges	--	--	--	--	--	--	(204.4)	--	(204.4)	--	(204.4)
Share of an associated company's fair value reserve	--	--	--	--	--	--	87.9	--	87.9	--	87.9
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	--	--	4.9	4.9	3.5	8.4
Net income and expense not recognised in the profit and loss account	--	--	--	--	(21.0)	--	(112.9)	4.9	(129.0)	1.9	(127.1)
Profit for the period	--	--	--	--	--	--	--	396.6	396.6	16.7	413.3
Net income and expense recognised for the period	--	--	--	--	(21.0)	--	(112.9)	401.5	267.6	18.6	286.2
Share-based payment	--	--	--	--	--	12.3	--	--	12.3	0.6	12.9
Share options exercised	0.1	3.1	--	--	--	(2.8)	--	--	0.4	--	0.4
Dividends	--	--	--	--	--	--	--	(121.9)	(121.9)	(11.9)	(133.8)
Balance at 31 December 2005	609.8	465.3	64.4	41.9	(12.9)	75.2	75.0	11,739.4	13,058.1	365.1	13,423.2



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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 October 2006	1,278.0	--	--	66.5	(97.1)	11,446.2	12,693.6
Net fair value changes on available-for-sale assets	--	--	--	--	5.2	--	5.2
Net fair value changes on cash flow hedges	--	--	--	--	(45.8)	--	(45.8)
Net expense not recognised in the profit and loss account	--	--	--	--	(40.6)	--	(40.6)
Profit for the period October-December 2006	--	--	--	--	--	692.1	692.1
Net income and expense recognised for the period	--	--	--	--	(40.6)	692.1	651.5
Share-based payment	--	--	--	11.6	--	--	11.6
Share options exercised	140.1	--	--	(13.2)	--	--	126.9
Share options lapsed	--	--	--	(0.4)	--	0.4	--
Dividends	--	--	--	--	--	(185.4)	(185.4)
Balance at 31 December 2006	<u>1,418.1</u>	--	--	<u>64.5</u>	<u>(137.7)</u>	<u>11,953.3</u>	<u>13,298.2</u>
Balance at 1 October 2005	609.7	462.2	64.4	50.8	136.7	10,703.5	12,027.3
Net fair value changes on available-for-sale assets	--	--	--	--	*	--	*
Net fair value changes on cash flow hedges	--	--	--	--	(158.7)	--	(158.7)
Net expense not recognised in the profit and loss account	--	--	--	--	(158.7)	--	(158.7)
Profit for the period October-December 2005	--	--	--	--	--	221.7	221.7
Net income and expense recognised for the period	--	--	--	--	(158.7)	221.7	63.0
Share-based payment	--	--	--	8.9	--	--	8.9
Share options exercised	0.1	3.1	--	(0.5)	--	--	2.7
Dividends	--	--	--	--	--	(121.9)	(121.9)
Balance at 31 December 2005	<u>609.8</u>	<u>465.3</u>	<u>64.4</u>	<u>59.2</u>	<u>(22.0)</u>	<u>10,803.3</u>	<u>11,980.0</u>

\* 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 31 December 2006, the number of share options of the Company outstanding was 74,241,360 (31 December 2005: 85,053,101).

During the period October to December 2006, 10,783,304 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 October to December 2006 is as follows:

Date of grant	Balance at 01.10.2006	Cancelled during 01.10.2006 to 31.12.2006	Exercised during 01.10.2006 to 31.12.2006	Balance at 31.12.2006	Exercise price	Expiry date
28.03.2000	11,658,310	(95,800)	(509,145)	11,053,365	\$15.34	27.03.2010
03.07.2000	10,838,970	(79,800)	(106,600)	10,652,570	\$16.65	02.07.2010
02.07.2001	9,001,540	(26,505)	(2,687,003)	6,288,032	\$11.96	01.07.2011
01.07.2002	10,950,253	(6,655)	(2,663,691)	8,279,907	\$12.82	30.06.2012
01.07.2003	7,642,497	(14,798)	(1,973,391)	5,654,308	\$10.34	30.06.2013
01.07.2004	9,777,590	(32,918)	(2,458,126)	7,286,546	\$10.70	30.06.2014
01.07.2005	12,838,280	(79,659)	(381,168)	12,377,453	\$11.28	30.06.2015
03.07.2006	12,743,394	(90,035)	(4,180)	12,649,179	\$12.60	02.07.2016
	85,450,834	(426,170)	(10,783,304)	74,241,360		

### (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 31 December 2006, the number of outstanding shares granted under the Company's RSP and PSP were 258,330 (31 December 2005: Nil) and 140,900 respectively (31 December 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	
	3rd Quarter 2006-07	3rd Quarter 2005-06	9 Months 2006-07	9 Months 2005-06
Earnings per share (cents)				
- Basic	47.7	32.5	118.5	79.9
- Diluted	47.3	32.5	117.8	79.9

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 31 Dec 06	As at 31 Mar 06	As at 31 Dec 06	As at 31 Mar 06
Net asset value per ordinary share (\$)	11.43	11.00	10.71	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.

### **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.

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.

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**

Singapore Airlines signed a letter of intent with Rolls-Royce on 11 January 2007 to provide a comprehensive maintenance package for Trent 800 engines on its fleet of 58 Trent-powered Boeing 777 aircraft, under a TotalCare Services Agreement. Rolls Royce will provide off-wing maintenance, repair and overhaul of engines, as well as spare engine support.

On 18 January 2007, Singapore Airlines announced it would outsource some of its reservation call centre functions in four countries – Australia, New Zealand, United States and Canada, and is considering doing so in a fifth – the United Kingdom – with an aim to streamline operations, and increase the service to 24 x 7 coverage in those markets.

On 29 January 2007, Singapore Airlines announced a reduction of the fuel surcharge on tickets sold from 30 January 2007, following a decline in jet fuel prices in recent weeks. This is the second time the surcharges have been reduced: the first was in October 2006. When the surcharges were introduced, Singapore Airlines undertook to keep their application under ongoing review, and to make adjustments in response to sustained changes in the price of jet fuel.

## **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.

### **11 Dividend**

#### **(a) Current Financial Period Reported on**

Any dividend declared for the current financial period reported on? None.

#### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

#### **(c) Date payable**

Not applicable.

#### **(d) Books closure date**

Not applicable.

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

No dividend is declared for the third quarter ended 31 December 2006.

13 Interested Person Transactions

Interested person transactions conducted during the third 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)	
	3rd Quarter 2006-07 S(\$)	9 Months 2006-07 S(\$)	3rd Quarter 2006-07 S(\$)	9 Months 2006-07 S(\$)
Singapore Petroleum Company Ltd	-	-	112,887,495	352,395,030
Keppel Telecommunications & Transportation Ltd Group: - Asia Airfreight Terminal Company Ltd	-	-	6,977,897	18,739,041
Singapore Technologies Engineering Ltd Group: - ST Aerospace Engineering Pte Ltd	-	-	100,668	227,051
Singapore Telecommunications Limited Group: - Singapore Telecommunications Ltd	-	-	-	2,636,050
The Ascott Group Ltd Group: - Ascott International Management (New Zealand) Pte Ltd	-	-	107,451	322,353
Singapore Computer Systems Ltd Group: - Trusted Hub Ltd	-	-	105,000	381,000
Starhub Ltd	-	-	-	155,010
Temasek Holdings Pte Ltd Group (other than the above): - Senoko Energy Supply Pte Ltd - PT Bank Danamon Indonesia - Aspremise Pte Ltd - Great Wall Airlines Company Ltd - MediaCorp Press Ltd	-	-	1,222,399 933,337 - - 105,900	3,485,999 1,177,687 614,106 10,290,000 105,900
Total	-	-	122,440,147	390,529,227

By Order of the Board

Ethel Tan Mei Lian  
Company Secretary  
9 February 2007

*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 third quarter and nine months 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

9 February 2007