



UNAUDITED RESULTS FOR THIRD QUARTER ENDED 31 DECEMBER 2008

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 2008 (in \$ million)

| | The Group | | The Group | |
|--|------------------------|------------------------|---------------------|---------------------|
| | 3rd Quarter 2008-09 | 3rd Quarter 2007-08 | 9 Months 2008-09 | 9 Months 2007-08 |
| REVENUE | 4,164.0 | 4,276.1 | 12,675.0 | 11,865.3 |
| EXPENDITURE | | | | |
| Staff costs | 647.2 | 735.3 | 1,976.7 | 2,107.3 |
| Fuel costs | 1,658.2 | 1,327.4 | 5,107.8 | 3,739.0 |
| Depreciation | 423.5 | 381.5 | 1,273.2 | 1,112.2 |
| Amortisation of intangible assets | 10.3 | 10.3 | 31.9 | 31.3 |
| Aircraft maintenance and overhaul costs | 102.5 | 105.1 | 300.0 | 333.5 |
| Commission and incentives | 104.4 | 116.5 | 326.9 | 333.6 |
| Landing, parking and overflying charges | 167.1 | 170.4 | 510.1 | 499.8 |
| Handling charges | 144.1 | 152.7 | 444.5 | 446.2 |
| Rentals on leased aircraft | 127.8 | 100.1 | 351.3 | 268.9 |
| Material costs | 85.2 | 75.4 | 242.3 | 255.4 |
| Inflight meals | 60.3 | 69.6 | 189.0 | 197.8 |
| Advertising and sales costs | 47.5 | 47.3 | 162.8 | 172.6 |
| Insurance expenses | 10.8 | 18.4 | 44.8 | 56.7 |
| Company accommodation and utilities | 45.2 | 43.4 | 136.2 | 126.6 |
| Other passenger costs | 35.4 | 39.0 | 110.3 | 102.0 |
| Crew expenses | 46.9 | 36.6 | 140.2 | 105.9 |
| Other operating expenses | 90.9 | 172.5 | 395.4 | 320.1 |
| | <u>3,807.3</u> | <u>3,601.5</u> | <u>11,743.4</u> | <u>10,208.9</u> |
| OPERATING PROFIT | 356.7 | 674.6 | 931.6 | 1,656.4 |
| Finance charges | (27.5) | (23.6) | (69.6) | (74.0) |
| Interest income | 24.3 | 36.3 | 79.3 | 127.7 |
| Surplus/(Loss) on disposal of aircraft, spares and spare engines | 45.6 | (5.1) | 66.1 | 7.4 |
| Dividends from long-term investments, gross | 8.5 | 6.4 | 22.1 | 30.6 |
| Other non-operating items | 7.9 | 15.0 | 17.5 | 59.9 |
| Share of profits of joint venture companies | 14.2 | 13.1 | 44.0 | 38.8 |
| Share of profits of associated companies | 0.4 | 31.5 | 217.3 | 116.2 |
| | <u>430.1</u> | <u>748.2</u> | <u>1,308.3</u> | <u>1,963.0</u> |
| PROFIT BEFORE TAXATION | | | | |
| TAXATION | (71.4) | (137.6) | (226.6) | (374.5) |
| PROFIT FOR THE PERIOD | <u>358.7</u> | <u>610.6</u> | <u>1,081.7</u> | <u>1,588.5</u> |
| PROFIT ATTRIBUTABLE TO: | | | | |
| EQUITY HOLDERS OF THE COMPANY | 337.2 | 590.0 | 1,019.6 | 1,521.9 |
| MINORITY INTERESTS | 21.5 | 20.6 | 62.1 | 66.6 |
| | <u>358.7</u> | <u>610.6</u> | <u>1,081.7</u> | <u>1,588.5</u> |
| BASIC EARNINGS PER SHARE (CENTS) | 28.4 | 49.8 | 86.0 | 124.1 |
| DILUTED EARNINGS PER SHARE (CENTS) | 28.4 | 49.0 | 85.5 | 122.1 |

Notes:

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

| | The Group | | The Group | |
|--|------------------------|------------------------|---------------------|---------------------|
| | 3rd Quarter 2008-09 | 3rd Quarter 2007-08 | 9 Months 2008-09 | 9 Months 2007-08 |
| Interest income from short-term investments | (0.2) | (0.2) | (0.7) | (0.6) |
| Dividend income from short-term investments | (0.1) | (0.1) | (0.7) | (0.7) |
| Amortisation of deferred gain on sale and leaseback transactions | (21.5) | (25.6) | (66.5) | (77.4) |
| Loss/(Surplus) on disposal of short-term investments | 3.1 | (2.5) | 3.2 | (7.5) |
| Bad debts written off | 0.8 | 0.3 | 1.1 | 0.8 |
| (Writeback)/Impairment of trade debtors | (0.1) | 2.8 | 7.8 | 4.3 |
| Exchange (gain)/loss, net | (30.8) | 64.6 | 50.9 | 78.6 |
| Fuel hedging loss/(gain) recognised in "Fuel costs" | 341.1 | (114.9) | (191.7) | (97.9) |
| Ineffectiveness of fuel hedging contracts recognised in "Fuel costs" | -- | -- | 0.6 | -- |
| Adjustment for over provision of tax in respect of prior years | (16.8) | (0.1) | (24.5) | (0.3) |

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

| | The Group | | The Group | |
|---|------------------------|------------------------|---------------------|---------------------|
| | 3rd Quarter 2008-09 | 3rd Quarter 2007-08 | 9 Months 2008-09 | 9 Months 2007-08 |
| Recognition of liquidated damages | 7.7 | 13.8 | 25.8 | 41.4 |
| Surplus on disposal of other property, plant and equipment | 0.6 | 0.9 | 1.5 | 17.5 |
| Amortisation of deferred gain on sale and finance leaseback transactions | 0.4 | 0.3 | 1.1 | 1.0 |
| Writeback/(Impairment) of investments | 0.3 | -- | (9.8) | -- |
| Loss on disposal of non-equity investments | (1.1) | -- | (1.1) | -- |
| | <u>7.9</u> | <u>15.0</u> | <u>17.5</u> | <u>59.9</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 2008 (in \$ million)

| | The Group | | The Company | |
|---|----------------|----------------|----------------|----------------|
| | 31-Dec 2008 | 31-Mar 2008 | 31-Dec 2008 | 31-Mar 2008 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY | | | | |
| Share capital | 1,684.8 | 1,682.0 | 1,684.8 | 1,682.0 |
| Treasury shares | (18.9) | (33.2) | (18.9) | (33.2) |
| Capital reserve | 95.6 | 95.6 | -- | -- |
| Foreign currency translation reserve | (193.4) | (130.7) | -- | -- |
| Share-based compensation reserve | 172.4 | 136.4 | 123.8 | 98.6 |
| Fair value reserve | (1,058.2) | 443.4 | (798.0) | 198.6 |
| General reserve | 12,769.4 | 12,931.7 | 11,474.1 | 11,589.7 |
| | 13,451.7 | 15,125.2 | 12,465.8 | 13,535.7 |
| MINORITY INTERESTS | 511.6 | 503.7 | -- | -- |
| TOTAL EQUITY | 13,963.3 | 15,628.9 | 12,465.8 | 13,535.7 |
| DEFERRED ACCOUNT | 650.8 | 787.3 | 550.3 | 660.0 |
| DEFERRED TAXATION | 2,215.2 | 2,542.1 | 1,845.5 | 2,101.9 |
| LONG-TERM LIABILITIES | 1,390.3 | 1,599.2 | 911.0 | 900.0 |
| | 18,219.6 | 20,557.5 | 15,772.6 | 17,197.6 |
| Represented by:- | | | | |
| PROPERTY, PLANT AND EQUIPMENT | | | | |
| Aircraft, spares and spare engines | 13,067.2 | 13,182.2 | 10,702.5 | 10,708.5 |
| Land and buildings | 690.0 | 729.3 | 122.3 | 132.2 |
| Others | 2,128.1 | 2,562.6 | 1,729.3 | 2,218.3 |
| | 15,885.3 | 16,474.1 | 12,554.1 | 13,059.0 |
| INTANGIBLE ASSETS | 89.9 | 106.6 | 67.1 | 79.0 |
| INVESTMENT PROPERTIES | 7.1 | -- | -- | -- |
| SUBSIDIARY COMPANIES | -- | -- | 1,780.8 | 1,780.8 |
| ASSOCIATED COMPANIES | 920.5 | 1,121.0 | 1,719.8 | 1,722.2 |
| JOINT VENTURE COMPANIES | 111.0 | 95.1 | -- | -- |
| LONG-TERM INVESTMENTS | 43.2 | 43.3 | 18.8 | 18.9 |
| OTHER NON-CURRENT ASSETS | 527.2 | 361.8 | 514.8 | 353.6 |
| CURRENT ASSETS | | | | |
| Inventories | 517.3 | 507.7 | 379.8 | 406.3 |
| Trade debtors | 1,501.4 | 2,043.8 | 1,008.0 | 1,433.4 |
| Deposits and other debtors | 336.8 | 73.1 | 305.6 | 37.7 |
| Prepayments | 109.8 | 104.9 | 95.1 | 90.2 |
| Amounts owing by subsidiary companies | -- | -- | 218.7 | 227.4 |
| Amounts owing by associated companies | 5.2 | 0.5 | -- | -- |
| Investments | 463.7 | 464.3 | 397.2 | 360.9 |
| Cash and bank balances | 4,668.0 | 5,119.0 | 3,818.4 | 4,216.7 |
| | 7,602.2 | 8,313.3 | 6,222.8 | 6,772.6 |
| Less: CURRENT LIABILITIES | | | | |
| Sales in advance of carriage | 1,375.7 | 1,680.3 | 1,338.7 | 1,647.0 |
| Deferred revenue | 491.8 | 435.7 | 491.8 | 435.7 |
| Current tax payable | 367.7 | 415.1 | 291.3 | 282.7 |
| Trade and other creditors | 4,468.5 | 3,367.9 | 3,453.5 | 2,494.0 |
| Amounts owing to subsidiary companies | -- | -- | 1,530.3 | 1,729.1 |
| Amounts owing to associated companies | -- | 1.2 | -- | -- |
| Finance lease commitments-repayable within one year | 62.0 | 56.9 | -- | -- |
| Loans-repayable within one year | 1.1 | 0.6 | -- | -- |
| Notes-repayable within one year | 200.0 | -- | -- | -- |
| | 6,966.8 | 5,957.7 | 7,105.6 | 6,588.5 |
| NET CURRENT ASSETS/(LIABILITIES) | 635.4 | 2,355.6 | (882.8) | 184.1 |
| | 18,219.6 | 20,557.5 | 15,772.6 | 17,197.6 |

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 2008 | | As at 31 March 2008 | |
|------------------------|-----------|---------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$62.0 M | \$201.1 M | \$57.0 M | \$0.5 M |

Amount repayable after one year

| As at 31 December 2008 | | As at 31 March 2008 | |
|------------------------|-----------|---------------------|-------------|
| Secured | Unsecured | Secured | Unsecured |
| \$476.2 M | \$903.1 M | \$495.8 M | \$1,103.4 M |

Details of any collateral

\$0.1 million of the secured borrowings by SIAEC are secured by equipment and vehicles and are repayable within a year. In addition, \$6.1 million of the secured borrowings obtained by SATS Group pertaining to finance lease commitments are secured by machineries, of which \$0.5 million is repayable within one year. The remaining secured borrowings pertained to finance leases of aircraft (\$532.0 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 STATEMENT
FOR THE THIRD QUARTER AND 9 MONTHS ENDED 31 DECEMBER 2008 (in \$ million)**

| | The Group | | The Group | |
|--|------------------------|------------------------|---------------------|---------------------|
| | 3rd Quarter 2008-09 | 3rd Quarter 2007-08 | 9 Months 2008-09 | 9 Months 2007-08 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit before taxation | 430.1 | 748.2 | 1,308.3 | 1,963.0 |
| Adjustments for:- | | | | |
| Depreciation | 423.5 | 381.5 | 1,273.2 | 1,112.2 |
| Amortisation of intangible assets | 10.3 | 10.3 | 31.9 | 31.3 |
| Income from short-term investments | (0.3) | (0.3) | (1.4) | (1.3) |
| Share-based compensation expense | 16.5 | 19.5 | 52.2 | 54.6 |
| Exchange differences | (60.8) | 38.8 | 25.8 | 52.7 |
| Amortisation of deferred gain on sale and leaseback transactions | (21.5) | (25.6) | (66.5) | (77.4) |
| Finance charges | 27.5 | 23.6 | 69.6 | 74.0 |
| Interest income | (24.3) | (36.3) | (79.3) | (127.7) |
| (Surplus)/Loss on disposal of aircraft, spares and spare engines | (45.6) | 5.1 | (66.1) | (7.4) |
| Dividends from long-term investments, gross | (8.5) | (6.4) | (22.1) | (30.6) |
| Other non-operating items | (7.9) | (15.0) | (17.5) | (59.9) |
| Share of profits of joint venture companies | (14.2) | (13.1) | (44.0) | (38.8) |
| Share of profits of associated companies | (0.4) | (31.5) | (217.3) | (116.2) |
| Operating profit before working capital changes | 724.4 | 1,098.8 | 2,246.8 | 2,828.5 |
| (Decrease)/increase in trade and other creditors | (332.3) | 274.2 | (222.6) | 153.6 |
| Decrease/(increase) in short term investments | 10.8 | 58.3 | (33.8) | 110.5 |
| (Decrease)/increase in sales in advance of carriage | (408.2) | 47.7 | (304.6) | 243.4 |
| Decrease in trade debtors | 323.8 | 52.8 | 212.4 | 16.8 |
| (Increase)/decrease in deposits and other debtors | (242.8) | 29.8 | (263.7) | 95.8 |
| (Increase)/decrease in prepayments | (11.5) | (18.7) | (4.9) | (18.8) |
| Decrease/(increase) in inventories | 6.5 | (15.0) | (9.6) | 3.9 |
| Increase in deferred revenue | 15.7 | 7.1 | 56.1 | 28.0 |
| (Increase)/decrease in amounts owing to/by associated companies | (3.2) | 0.5 | (5.9) | (0.8) |
| Cash generated from operations | 83.2 | 1,535.5 | 1,670.2 | 3,460.9 |
| Income taxes paid | (77.1) | (84.8) | (283.0) | (186.3) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 6.1 | 1,450.7 | 1,387.2 | 3,274.6 |

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE THIRD QUARTER AND 9 MONTHS ENDED 31 DECEMBER 2008 (in \$ million)**

| | The Group | | The Group | |
|---|------------------------|------------------------|---------------------|---------------------|
| | 3rd Quarter 2008-09 | 3rd Quarter 2007-08 | 9 Months 2008-09 | 9 Months 2007-08 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Capital expenditure | (348.7) | (421.4) | (1,483.1) | (1,588.2) |
| Purchase of intangible assets | (1.7) | (21.7) | (13.3) | (40.1) |
| Proceeds from disposal of aircraft and other property, plant and equipment | 99.8 | 37.1 | 836.9 | 113.0 |
| Investments in associated companies | -- | (7.6) | -- | (7.6) |
| Investments in companies pending incorporation | -- | -- | (4.2) | -- |
| Proceeds from disposal of non-equity investments | 15.8 | -- | 15.8 | -- |
| Proceeds from partial disposal of a subsidiary company | -- | -- | 0.3 | -- |
| Acquisition of minority interest | -- | -- | (0.6) | -- |
| Acquisition of subsidiary company, net of cash acquired | (3.6) | -- | (3.6) | (1.5) |
| Repayment of loans by associated companies | 0.1 | -- | 2.7 | 1.0 |
| Dividends received from associated and joint venture companies | 41.0 | 26.7 | 66.6 | 57.4 |
| Dividends received from investments | 8.6 | 6.5 | 22.8 | 31.3 |
| Interest received from investments and deposits | 18.7 | 30.6 | 70.1 | 125.9 |
| NET CASH USED IN INVESTING ACTIVITIES | (170.0) | (349.8) | (489.6) | (1,308.8) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Dividends paid | (237.1) | (237.2) | (1,185.8) | (1,313.2) |
| Dividends paid by subsidiary companies to minority interests | (18.8) | (18.9) | (74.2) | (56.4) |
| Interest paid | (32.5) | (18.3) | (61.2) | (69.1) |
| Proceeds from borrowings | 1.8 | 0.1 | 1.8 | 0.3 |
| Repayment of borrowings | (1.1) | -- | (1.4) | (113.6) |
| Repayment of long-term lease liabilities | (8.4) | (10.9) | (36.3) | (41.8) |
| Proceeds from issuance of share capital by subsidiary companies to minority interests | -- | -- | 8.8 | -- |
| Proceeds from exercise of employee share options | 0.8 | 35.8 | 50.4 | 351.3 |
| Purchase of treasury shares | (7.7) | -- | (38.4) | -- |
| Capital reduction | -- | (1,556.3) | -- | (1,556.3) |
| Proceeds from issuance of shares | -- | 20.2 | -- | 20.2 |
| NET CASH USED IN FINANCING ACTIVITIES | (303.0) | (1,785.5) | (1,336.3) | (2,778.6) |
| NET CASH OUTFLOW | (466.9) | (684.6) | (438.7) | (812.8) |
| CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD | 5,089.6 | 4,940.3 | 5,119.0 | 5,093.7 |
| Effect of exchange rate changes | 45.3 | (60.7) | (12.3) | (85.9) |
| CASH AND CASH EQUIVALENTS AT END PERIOD | 4,668.0 | 4,195.0 | 4,668.0 | 4,195.0 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | | | | |
| Fixed deposits | 4,122.4 | 3,754.0 | 4,122.4 | 3,754.0 |
| Cash and bank | 545.6 | 443.8 | 545.6 | 443.8 |
| Bank overdrafts | -- | (2.8) | -- | (2.8) |
| CASH AND CASH EQUIVALENTS AT END PERIOD | 4,668.0 | 4,195.0 | 4,668.0 | 4,195.0 |

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.

**STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008 (in \$ million)**

| The Group | Attributable to Equity Holders of the Company | | | | | | | | Total | Minority interests | Total equity |
|--|---|-----------------|-----------------|--------------------------------------|----------------------------------|--------------------|-----------------|-----------|--------|--------------------|--------------|
| | Share capital | Treasury shares | Capital reserve | Foreign currency translation reserve | Share-based compensation reserve | Fair value reserve | General reserve | | | | |
| Balance at 1 October 2008 | 1,684.8 | (12.8) | 95.6 | (131.9) | 157.4 | 67.9 | 12,671.2 | 14,532.2 | 506.0 | 15,038.2 | |
| Currency translation differences | -- | -- | -- | (61.5) | -- | -- | -- | (61.5) | 0.3 | (61.2) | |
| Net fair value changes on available-for-sale assets | -- | -- | -- | -- | -- | (1.1) | -- | (1.1) | -- | (1.1) | |
| Net fair value changes on cash flow hedges | -- | -- | -- | -- | -- | (718.7) | -- | (718.7) | -- | (718.7) | |
| Share of associated companies' fair value reserve | -- | -- | -- | -- | -- | (406.3) | -- | (406.3) | -- | (406.3) | |
| Surplus on dilution of interest in subsidiary companies due to share options exercised | -- | -- | -- | -- | (1.0) | -- | (2.0) | (3.0) | 2.6 | (0.4) | |
| Net income and expense not recognised in the profit and loss account | -- | -- | -- | (61.5) | (1.0) | (1,126.1) | (2.0) | (1,190.6) | 2.9 | (1,187.7) | |
| Profit for the period October-December 2008 | -- | -- | -- | -- | -- | -- | 337.2 | 337.2 | 21.5 | 358.7 | |
| Net income and expense recognised for the period | -- | -- | -- | (61.5) | (1.0) | (1,126.1) | 335.2 | (853.4) | 24.4 | (829.0) | |
| Share-based compensation expense | -- | -- | -- | -- | 16.5 | -- | -- | 16.5 | -- | 16.5 | |
| Share options lapsed | -- | -- | -- | -- | (0.2) | -- | 0.2 | -- | -- | -- | |
| Purchase of treasury shares | -- | (7.7) | -- | -- | -- | -- | -- | (7.7) | -- | (7.7) | |
| Treasury shares reissued pursuant to employee share option plan | -- | 1.6 | -- | -- | (0.3) | -- | (0.1) | 1.2 | -- | 1.2 | |
| Dividends | -- | -- | -- | -- | -- | -- | (237.1) | (237.1) | (18.8) | (255.9) | |
| Balance at 31 December 2008 | 1,684.8 | (18.9) | 95.6 | (193.4) | 172.4 | (1,058.2) | 12,769.4 | 13,451.7 | 511.6 | 13,963.3 | |

**STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2007 (in \$ million)**

| The Group | Attributable to Equity Holders of the Company | | | | | | | Total | Minority interests | Total equity |
|--|---|-----------------|--------------------------------------|----------------------------------|--------------------|-----------------|----------|--------|--------------------|--------------|
| | Share capital | Capital reserve | Foreign currency translation reserve | Share-based compensation reserve | Fair value reserve | General reserve | | | | |
| Balance at 1 October 2007 | 1,623.1 | 44.9 | (63.7) | 103.9 | 20.5 | 12,048.3 | 13,777.0 | 485.3 | 14,262.3 | |
| Currency translation differences | -- | -- | (32.3) | -- | -- | -- | (32.3) | (5.4) | (37.7) | |
| Net fair value changes on available-for-sale assets | -- | -- | -- | -- | (20.0) | -- | (20.0) | -- | (20.0) | |
| Net fair value changes on cash flow hedges | -- | -- | -- | -- | 139.8 | -- | 139.8 | -- | 139.8 | |
| Share of associated companies' fair value reserve | -- | -- | -- | -- | 85.8 | -- | 85.8 | -- | 85.8 | |
| Surplus on dilution of interest in subsidiary companies due to share options exercised | -- | -- | -- | (1.7) | -- | 1.6 | (0.1) | 3.4 | 3.3 | |
| Net income and expense not recognised in the profit and loss account | -- | -- | (32.3) | (1.7) | 205.6 | 1.6 | 173.2 | (2.0) | 171.2 | |
| Profit for the period October-December 2007 | -- | -- | -- | -- | -- | 590.0 | 590.0 | 20.6 | 610.6 | |
| Net income and expense recognised for the period | -- | -- | (32.3) | (1.7) | 205.6 | 591.6 | 763.2 | 18.6 | 781.8 | |
| Share-based compensation expense | -- | -- | -- | 19.5 | -- | -- | 19.5 | -- | 19.5 | |
| Share options exercised | 34.7 | -- | -- | (2.2) | -- | -- | 32.5 | -- | 32.5 | |
| Share options lapsed | -- | -- | -- | (0.1) | -- | 0.1 | -- | -- | -- | |
| Shares issued | 20.2 | -- | -- | -- | -- | -- | 20.2 | -- | 20.2 | |
| Dividends | -- | -- | -- | -- | -- | (237.2) | (237.2) | (18.9) | (256.1) | |
| Balance at 31 December 2007 | 1,678.0 | 44.9 | (96.0) | 119.4 | 226.1 | 12,402.8 | 14,375.2 | 485.0 | 14,860.2 | |

**STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008 (in \$ million)**

| The Company | Share capital | Treasury shares | Share-based compensation reserve | Fair value reserve | General reserve | Total |
|---|---------------|-----------------|----------------------------------|--------------------|-----------------|----------|
| Balance at 1 October 2008 | 1,684.8 | (12.8) | 112.7 | (215.7) | 11,353.7 | 12,922.7 |
| Net fair value changes on available-for-sale assets | -- | -- | -- | (0.5) | -- | (0.5) |
| Net fair value changes on cash flow hedges | -- | -- | -- | (581.8) | -- | (581.8) |
| Net expense not recognised in the profit and loss account | -- | -- | -- | (582.3) | -- | (582.3) |
| Profit for the period October-December 2008 | -- | -- | -- | -- | 357.5 | 357.5 |
| Net income and expense recognised for the period | -- | -- | -- | (582.3) | 357.5 | (224.8) |
| Share-based compensation expense | -- | -- | 11.5 | -- | -- | 11.5 |
| Share options lapsed | -- | -- | (0.1) | -- | 0.1 | -- |
| Purchase of treasury shares | -- | (7.7) | -- | -- | -- | (7.7) |
| Treasury shares reissued pursuant to employee share option plan | -- | 1.6 | (0.3) | -- | (0.1) | 1.2 |
| Dividends | -- | -- | -- | -- | (237.1) | (237.1) |
| Balance at 31 December 2008 | 1,684.8 | (18.9) | 123.8 | (798.0) | 11,474.1 | 12,465.8 |

**STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2007 (in \$ million)**

| The Company | Share capital | Share-based compensation reserve | Fair value reserve | General reserve | Total |
|--|---------------|----------------------------------|--------------------|-----------------|----------|
| Balance at 1 October 2007 | 1,623.1 | 75.2 | 32.7 | 10,936.1 | 12,667.1 |
| Net fair value changes on available-for-sale assets | -- | -- | (34.4) | -- | (34.4) |
| Net fair value changes on cash flow hedges | -- | -- | 127.3 | -- | 127.3 |
| Net income not recognised in the profit and loss account | -- | -- | 92.9 | -- | 92.9 |
| Profit for the period October-December 2007 | -- | -- | -- | 511.1 | 511.1 |
| Net income recognised for the period | -- | -- | 92.9 | 511.1 | 604.0 |
| Share-based compensation expense | -- | 13.2 | -- | -- | 13.2 |
| Share options exercised | 34.7 | (2.2) | -- | -- | 32.5 |
| Shares issued | 20.2 | -- | -- | -- | 20.2 |
| Dividends | -- | -- | -- | (237.2) | (237.2) |
| Balance at 31 December 2007 | 1,678.0 | 86.2 | 125.6 | 11,210.0 | 13,099.8 |

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issue, 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

Share Capital

During the period October to December 2008, the Company did not issue any shares upon exercise of options pursuant to share options exercised under the Employee Share Option Plan.

As at 31 December 2008, the number of ordinary shares in issue was 1,186,547,790, of which 1,391,438 were held by the Company as treasury shares. The share capital was \$1,684.8 million. (31 December 2007 : 1,186,027,006 ordinary shares of which none were held as treasury shares.)

Employee Share Option Plan

As at 31 December 2008, the number of share options of the Company outstanding was 64,016,476 (31 December 2007: 57,258,071).

During the period October to December 2008, 107,524 shares were exercised under the Singapore Airlines 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 2008 is as follows:

| Date of grant | Balance at 01.10.2008 | Cancelled during 01.10.2008 to 31.12.2008 | Exercised during 01.10.2008 to 31.12.2008 | Balance at 31.12.2008 | Exercise price | Expiry date |
|---------------|-----------------------|---|---|-----------------------|----------------|-------------|
| 28.03.2000 | 4,446,031 | (17,700) | - | 4,428,331 | \$14.84* | 27.03.2010 |
| 03.07.2000 | 4,738,545 | (22,500) | - | 4,716,045 | \$16.15* | 02.07.2010 |
| 02.07.2001 | 2,355,653 | (8,835) | (1,425) | 2,345,393 | \$11.46* | 01.07.2011 |
| 01.07.2002 | 3,445,061 | (7,125) | (2,185) | 3,435,751 | \$12.32* | 30.06.2012 |
| 01.07.2003 | 2,577,809 | (6,460) | (21,893) | 2,549,456 | \$9.84* | 30.06.2013 |
| 01.07.2004 | 4,287,139 | (1,805) | (40,757) | 4,244,577 | \$10.20* | 30.06.2014 |
| 01.07.2005 | 7,535,502 | (22,018) | (28,499) | 7,484,985 | \$10.78* | 30.06.2015 |
| 03.07.2006 | 10,270,889 | (37,068) | (12,765) | 10,221,056 | \$12.10* | 02.07.2016 |
| 02.07.2007 | 11,944,535 | (78,375) | - | 11,866,160 | \$18.22* | 01.07.2017 |
| 01.07.2008 | 12,768,137 | (43,415) | - | 12,724,722 | \$14.83 | 30.06.2018 |
| | 64,369,301 | (245,301) | (107,524) | 64,016,476 | | |

* Following approval by the Company's shareholders of the declaration of a special dividend of \$0.50 per share on 31 July 2007, the Board Compensation & Industrial Relations Committee approved a reduction of \$0.50 in the exercise prices of the shares options outstanding on 2 August 2007. The exercise prices reflected here are the exercise prices after such adjustment.

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

In addition to the Employee Share Option Plan, senior management staff are entitled to two share-based incentive plans, the RSP and PSP, which were approved by the shareholders of the Company on 28 July 2005.

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% and 120% of the initial grant of the restricted shares and between 0% and 150% of the initial grant of the performance shares.

As at 31 December 2008, the number of outstanding shares granted under the Company's RSP and PSP were 1,287,203 (31 December 2007: 788,310) and 524,853 (31 December 2007: 302,653) respectively.

The details of the shares awarded under RSP and PSP are as follows:

| Date of grant | Number of Restricted Shares | | |
|---------------|-----------------------------|-----------|-----------------------|
| | Balance at 01.10.2008 | Cancelled | Balance at 31.12.2008 |
| RSP | | | |
| 27.07.2006 | 144,973 | (5,224) | 139,749 |
| 01.08.2007 | 518,100 | (21,258) | 496,842 |
| 01.07.2008 | 676,424 | (25,812) | 650,612 |
| | 1,339,497 | (52,294) | 1,287,203 |

| Date of grant | Number of Performance Shares | | |
|---------------|------------------------------|-----------|-----------------------|
| | Balance at 01.10.2008 | Cancelled | Balance at 31.12.2008 |
| PSP | | | |
| 27.07.2006 | 144,701 | - | 144,701 |
| 01.08.2007 | 157,952 | - | 157,952 |
| 01.07.2008 | 222,200 | - | 222,200 |
| | 524,853 | - | 524,853 |

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Treasury Shares

As at 31 December 2008, the total number of issued ordinary shares was 1,186,547,790, of which 1,391,438 were held by the Company as treasury shares. (31 March 2008 : 1,186,334,147 ordinary shares of which 2,301,000 were held as treasury shares).

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Treasury Shares

During the period October to December 2008, the Company purchased 635,000 of its ordinary shares by way of on-market purchases at share prices ranging from \$10.83 to \$13.93. The total amount paid to purchase the shares was \$7.7 million.

In addition, the Company transferred 107,524 of the treasury shares to employees on exercise of share options. Treasury shares are presented as a component within equity attributable to equity holders of the Company.

| | Number of Shares | Treasury Shares (\$ million) |
|--|------------------|------------------------------|
| Group and Company | | |
| Balance at 1 October 2008 | 863,962 | (12.8) |
| Purchase of treasury shares | 635,000 | (7.7) |
| Treasury shares transferred on exercise of share options | (107,524) | 1.6 |
| Balance at 31 December 2008 | 1,391,438 | (18.9) |

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 preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2008 except for the adoption of the Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for financial year beginning on or after 1 April 2008. The adoption of these FRS and INT FRS has no significant impact to the Group.

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 2008-09 | 3rd Quarter 2007-08 | 9 Months 2008-09 | 9 Months 2007-08 |
| Earnings per share (cents) | | | | |
| - Basic | 28.4 | 49.8 | 86.0 | 124.1 |
| - Diluted | 28.4 | 49.0 | 85.5 | 122.1 |

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 08 | As at 31 Mar 08 | As at 31 Dec 08 | As at 31 Mar 08 |
| Net asset value per ordinary share (\$) | 11.35 | 12.77 | 10.52 | 11.43 |

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.

GROUP FINANCIAL PERFORMANCE

Third Quarter 2008-09

The Group earned a net profit attributable to equity holders of \$337 million for the third quarter (October – December 2008) of financial year 2008-09, a drop of 42.8% or \$253 million from the same period a year ago.

Group revenue declined 2.6% to \$4,164 million on weaker passenger and cargo carriage, while Group expenditure rose 5.7% to \$3,807 million.

The price of jet fuel corrected from its peak of USD171/BBL recorded in July 2008, averaging USD99/BBL in the third quarter. While lower fuel prices reduced expenditure on fuel by \$125 million, losses in hedging amounted to \$341 million. Other cost items were well contained. Excluding fuel, Group expenditure was \$125 million (-5.5%) lower compared to the same period last year.

Foreign exchange rate movements lowered operating profit by \$144 million, as major revenue generating currencies, particularly the Australian Dollar, the UK Pound and the Euro, weakened against the Singapore Dollar, even as the Japanese Yen and the US Dollar strengthened.

Group operating profit was \$357 million for the third quarter, \$318 million (-47.1%) lower than the year before.

Operating profit for the Parent Airline Company at \$314 million was \$199 million (-38.7%) lower year-on-year. The operating results of the major subsidiary companies are as follows:

- SATS Group Profit of \$ 43 million (-7.7%)
- SIA Engineering Profit of \$ 29 million (+53.9%)
- SilkAir Profit of \$ 12 million (-17.2%)
- SIA Cargo Loss of \$ 46 million (profit of \$73 million previously)

April – December 2008

For the nine months to December 2008, the Group posted a net profit attributable to equity holders of \$1,020 million, compared to \$1,522 million for the corresponding period last year, a decline of \$502 million (-33.0%).

Group revenue grew \$810 million (+6.8%) to \$12,675 million while expenditure was up by a higher amount to \$11,743 million (+\$1,535 million or +15.0%) principally on account of higher expenditure on fuel. The average jet fuel price for the April to December 2008 period increased 44.8% from USD94/BBL to USD137/BBL, resulting in fuel expenditure to be higher by \$1,462 million.

Consequently, operating profit for the Group fell \$725 million (-43.8%) to \$932 million.

BALANCE SHEET REVIEW

Total equity attributable to equity holders decreased by \$1,673.5 million from \$15,125.2 million as at 31 March 2008 to \$13,451.7 million as at 31 December 2008 arising from a decrease in fair value reserve of \$1,501.6 million and payment of final dividends for FY2007-08 (-\$948.7 million) and interim dividends for FY2008-09 (-\$237.1 million). This reduction was partially offset by profits earned for the 9 months ended 31 December 2008. The decrease in fair value reserve was mainly due to a fair value loss on outstanding fuel hedging contracts following a decline in fuel prices, partially offset by a fair value gain on outstanding foreign exchange currency hedging contracts.

Total Group assets decreased by \$1,328.8 million or 5.0% to \$25,186.4 million as at 31 December 2008. The decline resulted mainly from a drop in trade debtors balance of \$542.4 million, consequent to revaluation of fuel hedging contracts. Property, plant and equipment was also \$588.8 million lower arising mainly from depreciation charges of \$1,273.2 million partially offset by net acquisitions of \$724.6 million. Additionally, a reduction in the share of profits and reserves of associated companies decreased the balance of associated companies by \$200.5 million while cash and bank balances fell by \$451.0 million mainly due to payment of dividends net of cash generated from operations.

Total Group liabilities increased by \$336.8 million or 3.1% to \$11,223.1 million as at 31 December 2008 mainly from trade and other creditors of \$1,100.6 million, attributable to fair value loss on outstanding fuel hedges. The increase was partially offset by a drop in deferred taxation of \$326.9 million and a decrease in sales in advance of carriage of \$304.6 million.

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

Not applicable.

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 20 January 2009, Singapore Airport Terminal Services (SATS) has completed the acquisition of an approximately 69.61% stake in Singapore Food Industries Limited (SFI) at S\$0.93 per SFI share amounting to an aggregate consideration of S\$334.5 million, from Ambrosia Investment Pte. Ltd., a wholly-owned subsidiary of Temasek Holdings (Private) Limited.

SATS will be proceeding with a mandatory unconditional cash offer (the "Offer") for all the remaining ordinary issued shares in the capital of SFI (other than those already owned, controlled or agreed to be acquired by SATS) at the same price of S\$0.93 per SFI share. The maximum aggregate cash consideration payable under the Offer amounts to approximately S\$174.6 million.

On 3 February 2009, Singapore Airlines announced a reduction in fuel surcharge on tickets sold from 4 February 2009, in light of the continued decline in jet fuel prices. When the surcharges were introduced, Singapore Airlines undertook to keep their application under review, and to make adjustments in response to sustained changes in the price of jet fuel.

OUTLOOK

Demand for air transportation is expected to remain weak for much of 2009.

The fuel hedging gains for the first nine months of financial year 2008-09 was \$191 million. For January to March 2009, 44% of fuel requirements for the Group, or approximately 3.7 million barrels, have been hedged at average jet fuel price of USD131/BBL.

The Company will continue to monitor the patterns of demand and make appropriate adjustments to flight schedules and capacity, while managing costs tightly.

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/recommendeded, a statement to that effect.

Not applicable.

13 Interested Person Transactions

Interested person transactions conducted during the third quarter of Financial Year 2008-09:

| 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 transactions less than \$100,000) |
|--|--|---|
| | 3rd Quarter 2008-09 S(\$) | 3rd Quarter 2008-09 S(\$) |
| Singapore Technologies Engineering Ltd Group - ST Aerospace Engineering Pte Ltd | - | 120,321 |
| Temasek Holdings (Private) Limited Group - Great Wall Airlines Co Ltd | - | 173,004 |
| | | |
| Total | - | 293,325 |

By Order of the Board

Ethel Tan (Mrs)
Company Secretary
10 February 2009

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 ended 31 December 2008 financial results to be false or misleading in any material respect.

On behalf of the Board,



STEPHEN LEE CHING YEN
Chairman



CHEW CHOON SENG
Chief Executive Officer

10 February 2009