



AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

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 FINANCIAL YEAR ENDED 31 MARCH 2007 (in \$ million)

	The Group		The Group	
	4th Quarter 2006-07	4th Quarter 2005-06	2006-07	2005-06
REVENUE	3,671.1	3,389.4	14,494.4	13,341.1
EXPENDITURE				
Staff costs	807.5	669.8	2,727.4	2,481.1
Fuel costs	1,130.7	1,118.1	4,916.7	4,240.3
Depreciation	349.2	319.4	1,319.4	1,227.7
Impairment of fixed assets	0.6	12.1	0.6	12.1
Amortisation of intangible assets	11.7	14.0	54.0	54.7
Aircraft maintenance and overhaul costs	51.2	73.8	311.4	319.3
Commission and incentives	102.6	100.3	405.1	441.6
Landing, parking and overflying charges	160.8	159.1	655.1	652.9
Handling charges	146.7	140.6	603.1	593.3
Rentals on leased aircraft	90.4	83.0	379.9	338.0
Material costs	71.7	76.5	316.6	315.2
Inflight meals	62.5	57.1	260.3	247.5
Advertising and sales costs	82.2	72.0	257.8	243.4
Insurance expenses	21.9	25.5	94.1	114.6
Company accommodation and utilities	44.3	35.2	170.0	158.1
Other passenger costs	37.2	34.5	133.8	122.5
Crew expenses	30.8	30.3	125.0	117.1
Other operating expenses	135.6	113.2	449.7	448.4
	<u>3,337.6</u>	<u>3,134.5</u>	<u>13,180.0</u>	<u>12,127.8</u>
OPERATING PROFIT	333.5	254.9	1,314.4	1,213.3
Finance charges	(37.6)	(22.2)	(124.1)	(96.3)
Interest income	58.5	28.3	181.8	96.7
Surplus on disposal of aircraft, spares and spare engines	90.0	15.8	237.9	115.7
Dividends from long-term investments, gross	1.9	--	38.8	24.6
Other non-operating items	46.7	7.2	77.9	12.3
Share of profits of joint venture companies	10.3	10.0	57.9	40.6
Share of profits of associated companies	3.1	58.8	79.0	255.2
PROFIT BEFORE EXCEPTIONAL ITEMS	506.4	352.8	1,863.6	1,662.1
Exceptional items	--	--	421.0	--
PROFIT BEFORE TAXATION	506.4	352.8	2,284.6	1,662.1
TAXATION				
Taxation expense	(67.5)	(68.8)	(328.9)	(352.6)
Adjustment for reduction in Singapore statutory tax rate	246.7	--	246.7	--
	<u>179.2</u>	<u>(68.8)</u>	<u>(82.2)</u>	<u>(352.6)</u>
PROFIT FOR THE FINANCIAL YEAR	685.6	284.0	2,202.4	1,309.5
PROFIT ATTRIBUTABLE TO: EQUITY HOLDERS OF THE COMPANY	671.3	266.3	2,128.8	1,240.7
MINORITY INTERESTS	14.3	17.7	73.6	68.8
	<u>685.6</u>	<u>284.0</u>	<u>2,202.4</u>	<u>1,309.5</u>
BASIC EARNINGS PER SHARE (CENTS)	53.9	21.8	172.6	101.7
DILUTED EARNINGS PER SHARE (CENTS)	53.2	21.6	170.8	101.3

Notes:

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

	The Group		The Group	
	4th Quarter 2006-07	4th Quarter 2005-06	2006-07	2005-06
Interest income from short-term investments	(0.2)	(0.1)	(0.8)	(0.7)
Dividend income from short-term investments	(0.1)	(0.2)	(0.8)	(0.8)
Amortisation of deferred gain on sale and operating leaseback transactions	(21.5)	(22.3)	(88.4)	(103.5)
Surplus on disposal of short-term investments	(1.0)	(1.4)	(3.5)	(3.7)
Bad debts written off	0.6	0.2	1.8	1.8
(Writeback)/impairment of trade debtors	(4.7)	3.0	(5.5)	5.0
Writedown of stocks	12.6	1.1	12.6	1.1
Exchange losses, net	10.5	36.0	79.9	163.2
Adjustment for over provision of tax in respect of prior years	(17.9)	(16.9)	(19.3)	(28.6)

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

	The Group		The Group	
	4th Quarter 2006-07	4th Quarter 2005-06	2006-07	2005-06
Surplus on deregistration of Asia Leasing Limited from the Bermuda companies register	--	--	1.2	--
Recognition of liquidated damages	10.5	--	32.4	--
Surplus on disposal of other fixed assets	35.9	7.2	43.1	11.9
Amortisation of deferred gain on sale and finance leaseback transactions	0.4	0.4	1.4	1.4
Impairment of long-term investments	(0.1)	(0.4)	(0.2)	(1.0)
	<u>46.7</u>	<u>7.2</u>	<u>77.9</u>	<u>12.3</u>

(iii) The exceptional items comprise the following:

	The Group		The Group	
	4th Quarter 2006-07	4th Quarter 2005-06	2006-07	2005-06
Surplus on sale of SIA Building	--	--	223.3	--
Surplus on sale of investment in Singapore Aircraft Leasing Enterprise Pte Ltd	--	--	197.7	--
	<u>--</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 SHEET AS AT 31 MARCH 2007 (in \$ million)

	The Group		The Company	
	31-Mar 2007	31-Mar 2006	31-Mar 2007	31-Mar 2006
SHARE CAPITAL	1,494.9	1,202.6	1,494.9	1,202.6
RESERVES				
Capital reserve	44.9	40.8	--	--
Foreign currency translation reserve	(59.5)	(30.5)	--	--
Share-based compensation reserve	97.3	81.8	71.2	63.1
Fair value reserve	(45.5)	163.6	(18.1)	35.6
General reserve	13,567.9	12,012.3	12,544.1	10,943.3
	13,605.1	12,268.0	12,597.2	11,042.0
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	15,100.0	13,470.6	14,092.1	12,244.6
MINORITY INTERESTS	443.3	396.3	--	--
TOTAL EQUITY	15,543.3	13,866.9	14,092.1	12,244.6
DEFERRED ACCOUNT	973.6	349.6	810.8	254.9
DEFERRED TAXATION	2,410.9	2,486.1	1,981.5	1,950.5
LONG-TERM LIABILITIES	1,805.8	1,824.4	900.0	1,022.3
	20,733.6	18,527.0	17,784.4	15,472.3
Represented by:-				
FIXED ASSETS				
Aircraft, spares and spare engines	12,944.3	12,208.4	10,204.2	9,150.9
Land and buildings	793.4	972.1	147.9	297.0
Others	2,574.0	2,344.2	2,257.3	2,046.5
	16,311.7	15,524.7	12,609.4	11,494.4
INTANGIBLE ASSETS	100.2	121.7	67.0	77.2
SUBSIDIARY COMPANIES	--	--	1,893.1	1,938.4
ASSOCIATED COMPANIES	897.5	996.3	1,722.2	1,722.2
JOINT VENTURE COMPANIES	86.6	362.6	--	159.1
LONG-TERM INVESTMENTS	43.3	425.9	18.9	401.5
OTHER RECEIVABLES	303.9	--	303.9	--
CURRENT ASSETS				
Section 44 tax prepayments	46.7	166.2	46.7	166.2
Stocks	534.1	517.5	452.5	458.5
Trade debtors	1,952.5	1,610.8	1,429.1	1,055.0
Amounts owing by subsidiary companies	--	--	215.4	230.9
Amounts owing by associated companies	1.9	3.7	--	--
Loan-receivable within one year	--	42.0	--	--
Investments	596.0	446.5	467.0	346.1
Cash and bank balances	5,117.6	3,151.6	4,627.5	2,765.1
	8,248.8	5,938.3	7,238.2	5,021.8
Less:- CURRENT LIABILITIES				
Sales in advance of carriage	1,392.9	1,191.6	1,365.1	1,164.4
Deferred revenue	388.3	309.9	388.3	309.9
Current tax payable	317.9	303.2	158.7	199.3
Trade creditors	3,061.8	2,546.2	2,164.7	1,798.2
Amounts owing to subsidiary companies	--	--	1,967.6	1,442.0
Finance lease commitments-repayable within one year	60.8	464.6	--	419.5
Loans-repayable within one year	12.8	16.6	--	--
Bank overdrafts	23.9	10.4	23.9	9.0
	5,258.4	4,842.5	6,068.3	5,342.3
NET CURRENT ASSETS/(LIABILITIES)	2,990.4	1,095.8	1,169.9	(320.5)
	20,733.6	18,527.0	17,784.4	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 March 2007		As at 31 March 2006	
Secured	Unsecured	Secured	Unsecured
\$72.8M	\$24.7M	\$480.4M	\$11.2M

Amount repayable after one year

As at 31 March 2007		As at 31 March 2006	
Secured	Unsecured	Secured	Unsecured
\$703.2M	\$1,102.6M	\$723.3M	\$1,101.1M

Details of any collateral

\$112.7 million of the secured borrowings are secured by a first priority mortgage over 1 B747-400 freighter, of which \$11.8 million is repayable within one year. In addition, the UOB loan (\$0.2 million) obtained by SATS Group is secured by machineries. Another \$1.9 million obtained by SIAEC Group is secured over factory premises. The remaining secured borrowings pertained to finance leases of aircraft (\$661.2 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 FINANCIAL YEAR ENDED 31 MARCH 2007 (in \$ million)**

	The Group	
	2006-07	2005-06
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,163.5	2,309.6
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(3,026.7)	(2,058.8)
Purchase of intangible assets - application software	(32.5)	(32.4)
Proceeds from disposal of aircraft and other fixed assets	1,586.6	629.7
Return of capital from associated companies	3.9	3.3
Investments in associated companies	(23.6)	(27.1)
Investments in joint venture companies	--	(8.2)
Additional long-term investments	--	(91.6)
Repayment of loan receivable	42.0	--
Proceeds from sale of long-term investments	382.4	90.5
Proceeds from sale of a joint venture company	509.4	--
Dividends received from associated and joint venture companies	60.6	91.2
Dividends received from investments	39.6	25.4
Interest received from investments and deposits	180.3	89.5
NET CASH USED IN INVESTING ACTIVITIES	(278.0)	(1,288.5)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(614.8)	(487.6)
Dividends paid by subsidiary companies to minority interests	(72.4)	(30.9)
Interest paid	(109.1)	(90.4)
Proceeds from borrowings	--	0.5
Repayment of borrowings	(16.9)	(25.1)
Repayment of long-term lease liabilities	(345.3)	(59.3)
Proceeds from issuance of share capital by subsidiary companies to minority interests	0.1	12.0
Proceeds from exercise of share options	342.4	135.9
NET CASH USED IN FINANCING ACTIVITIES	(816.0)	(544.9)
NET CASH INFLOW	2,069.5	476.2
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	3,141.2	2,814.0
Effect of exchange rate changes	(117.0)	(149.0)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5,093.7	3,141.2
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits	4,385.5	2,451.9
Cash and bank	732.1	699.7
Bank overdrafts	(23.9)	(10.4)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5,093.7	3,141.2

CASH FLOW FROM OPERATING ACTIVITIES (in \$ million)

	The Group	
	2006-07	2005-06
Profit before taxation	2,284.6	1,662.1
Adjustments for:-		
Depreciation	1,319.4	1,227.7
Impairment of fixed assets	0.6	12.1
Amortisation of intangible assets	54.0	54.7
Income from short-term investments	(1.6)	(1.5)
Share-based compensation expense	57.6	48.1
Exchange differences	5.7	133.2
Amortisation of deferred gain on sale and operating leaseback transactions	(88.4)	(103.5)
Finance charges	124.1	96.3
Interest income	(181.8)	(96.7)
Surplus on disposal of aircraft, spares and spare engines	(237.9)	(115.7)
Dividends from long-term investments,gross	(38.8)	(24.6)
Other non-operating items	(77.9)	(12.3)
Share of profits of joint venture companies	(57.9)	(40.6)
Share of profits of associated companies	(79.0)	(255.2)
Surplus on sale of SIA Building	(223.3)	--
Surplus on sale of investment in Singapore Aircraft Leasing Enterprise Pte Ltd	(197.7)	--
Operating profit before working capital changes	2,661.7	2,584.1
Increase in creditors	355.4	137.7
Increase in short-term investments	(130.8)	(355.6)
Increase in sales in advance of carriage	201.3	160.4
Decrease/(increase) in debtors	24.6	(155.4)
Increase in stocks	(16.6)	(75.0)
Increase in deferred revenue	78.4	72.0
Decrease in amounts owing by associated companies	1.8	12.1
Cash generated from operations	3,175.8	2,380.3
Income taxes paid	(12.3)	(70.7)
Net cash provided by operating activities	3,163.5	2,309.6

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 FINANCIAL YEAR ENDED 31 MARCH 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 April 2006	1,202.6	40.8	(30.5)	81.8	163.6	12,012.3	13,470.6	396.3	13,866.9	
Currency translation differences	--	--	(29.0)	--	--	--	(29.0)	(8.3)	(37.3)	
Net fair value changes on available-for-sale assets	--	--	--	--	18.7	--	18.7	--	18.7	
Net fair value changes on cash flow hedges	--	--	--	--	(90.5)	--	(90.5)	--	(90.5)	
Arising from the disposal of a joint venture	--	(10.3)	--	--	(2.8)	3.4	(9.7)	--	(9.7)	
Share of associated companies' fair value reserve	--	--	--	--	(134.5)	--	(134.5)	--	(134.5)	
Share of associated companies' capital reserve	--	14.4	--	--	--	--	14.4	--	14.4	
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	(11.7)	--	34.6	22.9	54.0	76.9	
Net income and expense not recognised in the profit and loss account	--	4.1	(29.0)	(11.7)	(209.1)	38.0	(207.7)	45.7	(162.0)	
Profit for the financial year	--	--	--	--	--	2,128.8	2,128.8	73.6	2,202.4	
Net income and expense recognised for the financial year	--	4.1	(29.0)	(11.7)	(209.1)	2,166.8	1,921.1	119.3	2,040.4	
Issuance of share capital by subsidiary companies	--	--	--	--	--	--	--	0.1	0.1	
Share-based payment	--	--	--	57.6	--	--	57.6	--	57.6	
Share options exercised	292.3	--	--	(26.8)	--	--	265.5	--	265.5	
Share options lapsed	--	--	--	(3.6)	--	3.6	--	--	--	
Dividends	--	--	--	--	--	(614.8)	(614.8)	(72.4)	(687.2)	
Balance at 31 March 2007	<u>1,494.9</u>	<u>44.9</u>	<u>(59.5)</u>	<u>97.3</u>	<u>(45.5)</u>	<u>13,567.9</u>	<u>15,100.0</u>	<u>443.3</u>	<u>15,543.3</u>	

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 April 2005	1,121.7	41.9	3.1	48.4	131.8	11,233.8	12,580.7	303.6	12,884.3	
Currency translation differences	--	--	(33.6)	--	--	--	(33.6)	(1.3)	(34.9)	
Net fair value changes on available-for-sale assets	--	--	--	--	5.9	--	5.9	--	5.9	
Net fair value changes on cash flow hedges	--	--	--	--	(137.1)	--	(137.1)	--	(137.1)	
Share of a joint venture and associated companies' fair value reserve	--	--	--	--	163.0	--	163.0	--	163.0	
Share of a joint venture and associated company's capital reserve	--	(1.1)	--	--	--	--	(1.1)	--	(1.1)	
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	25.4	25.4	41.9	67.3	
Net income and expense not recognised in the profit and loss account	--	(1.1)	(33.6)	--	31.8	25.4	22.5	40.6	63.1	
Profit for the financial year	--	--	--	--	--	1,240.7	1,240.7	68.8	1,309.5	
Net income and expense recognised for the financial year	--	(1.1)	(33.6)	--	31.8	1,266.1	1,263.2	109.4	1,372.6	
Issuance of share capital by subsidiary companies	--	--	--	--	--	--	--	12.0	12.0	
Share-based payment	--	--	--	45.9	--	--	45.9	2.2	48.1	
Share options exercised	80.9	--	--	(12.5)	--	--	68.4	--	68.4	
Dividends	--	--	--	--	--	(487.6)	(487.6)	(30.9)	(518.5)	
Balance at 31 March 2006	<u>1,202.6</u>	<u>40.8</u>	<u>(30.5)</u>	<u>81.8</u>	<u>163.6</u>	<u>12,012.3</u>	<u>13,470.6</u>	<u>396.3</u>	<u>13,866.9</u>	

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007 (in \$ million)**

The Company	Share capital	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2006	1,202.6	63.1	35.6	10,943.3	12,244.6
Net fair value changes on available-for-sale assets	--	--	16.9	--	16.9
Net fair value changes on cash flow hedges	--	--	(70.6)	--	(70.6)
Net expense not recognised in the profit and loss account	--	--	(53.7)	--	(53.7)
Profit for the financial year	--	--	--	2,213.2	2,213.2
Net income and expense recognised for the financial year	--	--	(53.7)	2,213.2	2,159.5
Share-based payment	--	37.3	--	--	37.3
Share options exercised	292.3	(26.8)	--	--	265.5
Share options lapsed	--	(2.4)	--	2.4	--
Dividends	--	--	--	(614.8)	(614.8)
Balance at 31 March 2007	1,494.9	71.2	(18.1)	12,544.1	14,092.1
Balance at 1 April 2005	1,121.7	37.1	151.7	10,684.9	11,995.4
Net fair value changes on available-for-sale assets	--	--	4.5	--	4.5
Net fair value changes on cash flow hedges	--	--	(120.6)	--	(120.6)
Net expense not recognised in the profit and loss account	--	--	(116.1)	--	(116.1)
Profit for the financial year	--	--	--	746.0	746.0
Net income and expense recognised for the financial year	--	--	(116.1)	746.0	629.9
Share-based payment	--	34.1	--	--	34.1
Share options exercised	80.9	(8.1)	--	--	72.8
Dividends	--	--	--	(487.6)	(487.6)
Balance at 31 March 2006	1,202.6	63.1	35.6	10,943.3	12,244.6

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 March 2007, the number of share options of the Company outstanding was 68,338,907 (31 March 2006: 79,196,566).

During the period April 2006 to March 2007, 22,128,620 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 financial year 2006-07 is as follows:

Date of grant	Balance at 01.04.2006	Granted during 01.04.2006 to 31.03.2007	Cancelled during 01.04.2006 to 31.03.2007	Exercised during 01.04.2006 to 31.03.2007	Balance at 31.03.2007	Exercise price	Expiry date
28.03.2000	11,851,610	-	(350,435)	(1,811,285)	9,689,890	\$15.34	27.03.2010
03.07.2000	11,015,170	-	(323,800)	(906,630)	9,784,740	\$16.65	02.07.2010
02.07.2001	10,278,270	-	(101,355)	(5,054,298)	5,122,617	\$11.96	01.07.2011
01.07.2002	11,841,523	-	(62,840)	(4,513,839)	7,264,844	\$12.82	30.06.2012
01.07.2003	9,076,029	-	(67,330)	(4,019,264)	4,989,435	\$10.34	30.06.2013
01.07.2004	11,972,838	-	(107,251)	(5,152,680)	6,712,907	\$10.70	30.06.2014
01.07.2005	13,161,126	-	(298,517)	(658,084)	12,204,525	\$11.28	30.06.2015
03.07.2006	-	12,777,119	(194,630)	(12,540)	12,569,949	\$12.60	02.07.2016
	79,196,566	12,777,119	(1,506,158)	(22,128,620)	68,338,907		

(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 March 2007, the number of outstanding shares granted under the Company's RSP and PSP were 258,330 (31 March 2006: Nil) and 140,900 respectively (31 March 2006: 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 figures have been audited in accordance with Singapore Standards on Auditing.

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

See attached auditor's report.

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	
	4th Quarter 2006-07	4th Quarter 2005-06	2006-07	2005-06
Earnings per share (cents)				
- Basic	53.9	21.8	172.6	101.7
- Diluted	53.2	21.6	170.8	101.3

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 Mar 07	As at 31 Mar 06	As at 31 Mar 07	As at 31 Mar 06
Net asset value per ordinary share (\$)	12.11	11.00	11.30	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.

PARENT AIRLINE OPERATIONS LIFT GROUP PROFIT

Group operating profit increased by \$101 million (+8.3%) to \$1,314 million, on the back of a strong performance by the Parent Airline Company. This result, together with exceptional gains (+\$421 million) and one-off tax writeback (+\$247 million), allowed the Group to record a net profit of \$2,129 million for the year ended 31 March 2007, up \$888 million (+71.6%) from last year.

Revenue for the Group reached a new high of \$14,494 million, up \$1,153 million (+8.6%) on the year before.

Group expenditure rose \$1,052 million (+8.7%) to \$13,180 million, led by higher fuel costs. Expenditure on fuel was up \$676 million (+16.0%) to \$4,917 million, mainly due to a 10.5% increase in the price of jet fuel. Fuel accounted for 37.3% of the Group expenditure, up 2.3 percentage points from a year ago.

Group expenditure excluding fuel grew at a slower rate than revenue; by \$376 million (+4.8%). Ongoing efforts to increase productivity and efficiency helped to keep expenditure in check.

The Parent Airline Company achieved an operating profit of \$1,027 million (+57.8%). It contributed 78.1% (+24.5 percentage points) to 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 \$153 million (-16.8%)
- SIA Engineering Company (SIAEC): Profit of \$102 million (-24.3%)
- Singapore Airlines Cargo (SIA Cargo): Loss of \$32 million (Profit of \$174 million in 2005-06)

RECENT OPERATING TRENDS SUSTAINED IN FOURTH QUARTER 2006-07

The Group achieved a net profit attributable to equity holders of the Company of \$671 million in the fourth quarter; an improvement of \$405 million (+152.1%) from the same period last year. A writeback of \$247 million in deferred tax liabilities for prior years was made to the quarter's accounts following a reduction in the Singapore corporate tax rate from 20% to 18%.

Group revenue grew \$282 million (+8.3%) to \$3,671 million. The Parent Airline Company recorded growth in revenue from higher loads and improved yields.

Group expenditure increased at a slower rate than revenue; up \$204 million (+6.5%) to \$3,338 million, mainly due to higher staff and fuel costs. As a result, the Group's operating profit increased \$78 million (+30.8%) over last year, to \$333 million.

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.

OUTLOOK

The key challenges being faced this year are limited capacity growth arising from delays in the delivery of the Airbus A380, high price of aviation fuel and uncertainty over the continued strength of the US economy and its implications globally. Competition will remain keen.

Demand for air travel remains strong across global markets. The Airline's new products on the B777-300ERs have been well-received by customers.

The Airline will be ready to take delivery of the first Airbus A380 aircraft in October 2007 and introduce it into commercial service soon thereafter. The use of the A380 aircraft will grow capacity on high-demand routes while delivering operational and environmental efficiency. In addition to many of the new cabin products unveiled late last year, there will be other innovations.

In the year to March 2008, Singapore Airlines expects to take delivery of three Airbus A380-800s and five Boeing 777-300ERs, while five B747-400s will be de-commissioned.

The outlook for cargo remains challenging. Cargo yields will continue to be under pressure with more freighter capacity coming into the industry. SIA Cargo will focus on managing cost and capacity.

With its emphasis on service excellence and innovation, the SIA Group is well placed to meet the competitive challenges. Discipline on costs will be maintained.

SUBSEQUENT EVENT

On 3 May 2007, Singapore Airlines announced an increase of the fuel surcharge for tickets issued on or after 9 May 2007. The adjustments will offer only partial relief of higher operating costs arising from the recent increases in the price of jet fuel.

11 Dividend

(a) Current Financial Period Reported on

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

Name of Dividend	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Amount per Share	15.0 cents per ordinary share	35.0 cents per ordinary share	50.0 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)	Tax-exempt (one-tier)	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	Final
Dividend Type	Cash	Cash
Dividend Amount per Share	10.0 cents per ordinary share	35.0 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)	Tax-exempt (one-tier)

(c) Date payable

The final dividend and special dividend, if so approved by shareholders, will be paid on 17 August 2007.

(d) Books closure date

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the final dividend and special dividend being obtained at the Thirty-Fifth Annual General Meeting to be held on 31 July 2007, the Transfer Books and the Register of Members of the Company will be closed on 7 August 2007 for the preparation of dividend warrants.

Duly completed and stamped transfers (together with all relevant documents of or evidencing title) 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 6 August 2007 will be registered to determine shareholders' entitlements to the final dividend and special dividend. Subject as aforesaid, shareholders whose Securities Account 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 6 August 2007 will be entitled to the final dividend and special dividend.

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

Not applicable.

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

SEGMENT INFORMATION BY BUSINESS SEGMENTS (in \$ million)

	Airline Operations		Airport terminal services		Engineering services		Others		Total of segments		Elimination*		Consolidated	
	06-07	05-06	06-07	05-06	06-07	05-06	06-07	05-06	06-07	05-06	06-07	05-06	06-07	05-06
TOTAL REVENUE														
External revenue	13,785.8	12,659.1	344.2	371.6	287.4	238.4	77.0	72.0	14,494.4	13,341.1	-	-	14,494.4	13,341.1
Inter-segment revenue	53.5	43.8	601.5	560.4	690.0	720.7	150.5	169.1	1,495.5	1,494.0	(1,495.5)	(1,494.0)	-	-
	<u>13,839.3</u>	<u>12,702.9</u>	<u>945.7</u>	<u>932.0</u>	<u>977.4</u>	<u>959.1</u>	<u>227.5</u>	<u>241.1</u>	<u>15,989.9</u>	<u>14,835.1</u>	<u>(1,495.5)</u>	<u>(1,494.0)</u>	<u>14,494.4</u>	<u>13,341.1</u>
RESULTS														
Segment result	1,050.7	891.3	153.2	184.1	102.0	134.7	27.6	21.1	1,333.5	1,231.2	(19.1)	(17.9)	1,314.4	1,213.3
Finance charges	(138.9)	(103.0)	(6.2)	(6.3)	-	-	(0.5)	-	(145.6)	(109.3)	21.5	13.0	(124.1)	(96.3)
Interest income	169.0	90.1	18.2	9.3	13.7	9.2	2.4	1.1	203.3	109.7	(21.5)	(13.0)	181.8	96.7
Surplus on disposal of aircraft, spares and spare engines	214.9	90.3	-	-	-	-	-	-	214.9	90.3	23.0	25.4	237.9	115.7
Dividends from subsidiary companies, gross	357.9	204.6	-	-	-	-	-	-	357.9	204.6	(357.9)	(204.6)	-	-
Dividends from long-term investments, gross	22.5	12.3	1.0	0.6	15.5	11.9	-	-	39.0	24.8	(0.2)	(0.2)	38.8	24.6
Other non-operating items	76.1	9.3	1.5	1.1	0.3	1.9	-	-	77.9	12.3	-	-	77.9	12.3
Share of profits of joint venture companies	24.5	20.7	-	-	33.4	19.9	-	-	57.9	40.6	-	-	57.9	40.6
Share of profits of associated companies	(79.2)	112.2	52.1	57.3	106.1	85.7	-	-	79.0	255.2	-	-	79.0	255.2
Exceptional items	421.0	-	-	-	-	-	-	-	421.0	-	-	-	421.0	-
Taxation	(48.9)	(280.9)	(40.8)	(56.9)	(29.4)	(32.9)	(4.6)	(5.6)	(123.7)	(376.3)	41.5	23.7	(82.2)	(352.6)
Profit for the financial year	<u>2,069.6</u>	<u>1,046.9</u>	<u>179.0</u>	<u>189.2</u>	<u>241.6</u>	<u>230.4</u>	<u>24.9</u>	<u>16.6</u>	<u>2,515.1</u>	<u>1,483.1</u>	<u>(312.7)</u>	<u>(173.6)</u>	<u>2,202.4</u>	<u>1,309.5</u>
Attributable to:														
Equity holders of the Company													2,128.8	1,240.7
Minority interests													<u>73.6</u>	<u>68.8</u>
													<u>2,202.4</u>	<u>1,309.5</u>

* Relates to inter-segment transactions eliminated on consolidation. The Group generally accounts for such inter-segment transactions as if these transactions were to third parties at current market prices.

**ANALYSIS OF GROUP REVENUE BY AREA OF ORIGINAL SALE
- AIRLINE OPERATIONS (in \$ million)**

Revenue by Area of Original Sale	<u>2006-07</u>	<u>2005-06</u>
East Asia	5,974.6	5,554.5
Europe	1,957.4	1,882.4
South West Pacific	1,538.5	1,535.4
Americas	1,017.2	991.0
West Asia and Africa	874.7	896.2
Systemwide	11,362.4	10,859.5
Non-scheduled services and incidental revenue	2,476.9	1,843.4
Total	<u>13,839.3</u>	<u>12,702.9</u>

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to note 8.

15 A breakdown of sales.

The Group (in \$ million)	2006-07	2005-06	% Change	
<u>First Half</u>				
Revenue reported for the first half-year	7,029.6	6,394.7	+	9.9
Profit after tax reported for the first half-year	908.4	612.2	+	48.4
<u>Second Half</u>				
Revenue reported for the second half-year	7,464.8	6,946.4	+	7.5
Profit after tax reported for the second half-year	1,294.0	697.3	+	85.6

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Annual Dividend (\$ million)	2006-07	2005-06
Ordinary dividend		
- Interim	185.4	121.9
- Final #	436.4	429.4
Special dividend		
- Final #	623.4	-
Total	1,245.2	551.3

2006-07 Final ordinary and special dividends are estimated based on number of shares outstanding as at the end of the financial year

17 Interested Person Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial year 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)
	2006-07 S(\$)	2006-07 S(\$)
Singapore Petroleum Company Ltd	-	453,848,621
Keppel Telecommunications & Transportation Ltd Group: - Asia Airfreight Terminal Company Ltd	-	23,886,153
Keppel Corporation Ltd Group: - Keppel FMO Pte Ltd	-	304,575
Singapore Technologies Engineering Ltd Group: - ST Aerospace Engineering Pte Ltd	-	417,478
- Miltope Corporation	-	135,441
Singapore Telecommunications Ltd	-	6,209,820
The Ascott Group Ltd Group: - Ascott International Management (New Zealand) Pte Ltd	-	429,804
Singapore Computer Systems Ltd Group: - Trusted Hub Ltd	-	423,075
Starhub Ltd	-	155,010
SNP Corporation Ltd Group: - SNP Security Printing Pte Ltd	-	126,747
Temasek Holdings Pte Ltd Group (other than the above): - Senoko Energy Supply Pte Ltd	-	4,654,262
- PT Bank Danamon Indonesia	-	1,828,108
- PT Bank Internasional Indonesia	-	341,890
- Asprecise Pte Ltd	-	614,106
- Great Wall Airlines Company Ltd	-	10,290,000
- MediaCorp Press Ltd	-	202,300
- Tiger Airways Pte Ltd	-	153,998
Total	-	504,021,388

BY ORDER OF THE BOARD

Ethel Tan Mei Lian
Company Secretary
11 May 2007

AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE AIRLINES LIMITED

We have audited the accompanying financial statements of Singapore Airlines Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 10 to 74, which comprise the balance sheets of the Group and the Company as at 31 March 2007, the statements of changes in equity of the Group and the Company, the profit and loss account and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2007 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



ERNST & YOUNG
Certified Public Accountants

Dated this 11th day of May 2007
Singapore