



## AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

### 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 2010 (in \$ million)

	The Group		The Group	
	4th Quarter 2009-10	4th Quarter 2008-09	2009-10	2008-09
<b>REVENUE</b>	3,335.8	3,321.3	12,707.3	15,996.3
<b>EXPENDITURE</b>				
Staff costs	495.2	569.2	2,159.4	2,545.9
Fuel costs	996.5	1,300.6	4,194.5	6,408.4
Depreciation	425.1	417.9	1,713.8	1,649.7
Impairment of property, plant and equipment	3.3	--	6.1	41.4
Amortisation of intangible assets	6.4	13.6	42.7	45.5
Aircraft maintenance and overhaul costs	82.8	81.6	342.4	381.6
Commission and incentives	86.1	67.6	316.5	394.5
Landing, parking and overflying charges	145.1	146.8	588.6	656.9
Handling charges	235.0	136.2	784.9	580.7
Rentals on leased aircraft	132.3	136.5	552.9	487.8
Material costs	58.6	143.0	375.4	385.3
Inflight meals	110.3	42.0	347.7	231.0
Advertising and sales costs	55.5	77.5	210.3	240.3
Insurance expenses	14.2	15.6	57.6	60.4
Company accommodation and utilities	29.3	51.0	142.0	187.2
Other passenger costs	32.9	36.4	130.4	146.7
Crew expenses	33.6	44.5	153.4	184.7
Other operating expenses	152.6	69.3	525.5	464.7
	<b>3,094.8</b>	<b>3,349.3</b>	<b>12,644.1</b>	<b>15,092.7</b>
<b>OPERATING PROFIT/(LOSS)</b>	241.0	(28.0)	63.2	903.6
Finance charges	(13.6)	(20.1)	(68.9)	(89.7)
Interest income	10.9	16.7	49.5	96.0
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(1.6)	(5.5)	25.4	60.6
Dividends from long-term investments, gross	2.9	1.6	33.0	23.7
Other non-operating items	7.3	11.9	34.2	29.4
Share of profits of joint venture companies	15.0	19.9	56.1	63.9
Share of profits/(losses) of associated companies	19.0	(106.2)	93.0	111.1
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<b>280.9</b>	<b>(109.7)</b>	<b>285.5</b>	<b>1,198.6</b>
<b>TAXATION</b>				
Taxation expense	13.0	36.6	(6.0)	(190.0)
Adjustment for reduction in Singapore statutory tax rate	--	138.2	--	138.2
	<b>13.0</b>	<b>174.8</b>	<b>(6.0)</b>	<b>(51.8)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>293.9</b>	<b>65.1</b>	<b>279.5</b>	<b>1,146.8</b>
<b>PROFIT ATTRIBUTABLE TO:</b>				
<b>EQUITY HOLDERS OF THE COMPANY</b>	278.0	41.9	215.8	1,061.5
<b>MINORITY INTERESTS</b>	15.9	23.2	63.7	85.3
	<b>293.9</b>	<b>65.1</b>	<b>279.5</b>	<b>1,146.8</b>
<b>BASIC EARNINGS PER SHARE (CENTS)</b>	23.4	3.5	18.2	89.6
<b>DILUTED EARNINGS PER SHARE (CENTS)</b>	23.1	3.5	18.0	89.1

Note : SATS Group was deconsolidated from the Group with effect from 1 September 2009, after completion of the dividend *in specie* distribution. For comparison purposes, a proforma consolidated profit and loss account for the quarter and year ended 31 March 2009 was prepared to exclude the operations of SATS Group from 1 September 2008. Please refer to Annex 1 for the proforma consolidated profit and loss account.

**Notes:**

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

	The Group		The Group	
	4th Quarter 2009-10	4th Quarter 2008-09	2009-10	2008-09
Interest income from short-term investments	(0.2)	(0.2)	(0.9)	(0.9)
Dividend income from short-term investments	(0.1)	(0.1)	(0.7)	(0.8)
(Surplus)/Loss on disposal of short-term investments	(0.8)	1.5	(3.6)	4.7
Surplus on disposal of non-current assets	--	(2.1)	--	(2.1)
Income from operating lease of aircraft	(1.0)	(2.2)	(1.0)	(10.5)
Amortisation of deferred gain on sale and operating leaseback transactions	(15.4)	(19.6)	(64.7)	(86.1)
Bad debts written off	0.2	1.3	0.8	2.4
(Writeback)/Impairment of trade debtors	(0.3)	4.5	--	12.3
Writedown of inventories	1.3	22.7	7.4	22.7
Exchange loss/(gain), net	14.9	(11.0)	54.3	73.3
Currency hedging loss/(gain)	27.0	(105.2)	17.7	(138.6)
Fuel hedging loss recognised in "Fuel costs"	19.5	540.0	558.0	348.3
Ineffectiveness of fuel hedging contracts recognised in "Fuel costs"	(0.6)	3.4	0.3	4.0
(Over)/Under provision of tax in respect of prior years	(14.9)	14.5	(44.7)	(10.0)
Adjustment of deferred revenue *	--	--	(57.8)	--

\* This adjustment is a result of the recognition of revenue deferred from KrisFlyer miles in line with the maturity profile of outstanding miles.

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

	The Group		The Group	
	4th Quarter 2009-10	4th Quarter 2008-09	2009-10	2008-09
Recognition of liquidated damages	1.1	13.2	20.4	39.0
Surplus on disposal of other property, plant and equipment	6.2	0.3	6.9	1.8
Amortisation of deferred (loss)/gain on sale and finance leaseback transactions	--	(1.6)	0.5	(0.5)
Impairment of investments	--	--	--	(9.8)
Loss on disposal of non-equity investments	--	--	--	(1.1)
Gain on disposal of SATS shares	--	--	6.4	--
	<u>7.3</u>	<u>11.9</u>	<u>34.2</u>	<u>29.4</u>

**Revised FRS 1 Presentation of Financial Statements requires an entity to present all non-owner changes in equity in a Statement of Comprehensive Income. The revised FRS is effective from financial years beginning on or after 1 January 2009. This is a change in disclosure with no impact on the financial position or financial performance of the Group.**

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010 (in \$ million)**

	The Group		The Group	
	4th Quarter 2009-10	4th Quarter 2008-09	2009-10	2008-09
<b>PROFIT FOR THE PERIOD</b>	293.9	65.1	279.5	1,146.8
<b>OTHER COMPREHENSIVE INCOME :</b>				
Currency translation differences	(1.7)	64.3	(31.1)	8.6
Available-for-sale financial assets	(0.5)	(9.0)	10.0	(5.9)
Cash flow hedges	28.9	378.7	509.5	(855.6)
Surplus on dilution of interest in an associated company due to its public listing and share options exercised *	80.5	--	80.5	--
Surplus on dilution of interest in subsidiary companies due to share options exercised	3.5	0.1	7.3	8.8
Share of other comprehensive expense of associated and joint venture companies	(16.9)	22.1	(16.9)	(248.3)
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>	<u>93.8</u>	<u>456.2</u>	<u>559.3</u>	<u>(1,092.4)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>387.7</u>	<u>521.3</u>	<u>838.8</u>	<u>54.4</u>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) ATTRIBUTABLE TO :</b>				
<b>EQUITY HOLDERS OF THE COMPANY</b>	369.9	488.1	779.6	(55.1)
<b>MINORITY INTERESTS</b>	17.8	33.2	59.2	109.5
	<u>387.7</u>	<u>521.3</u>	<u>838.8</u>	<u>54.4</u>

\* Pursuant to the listing of an associated company, Tiger Airways Holdings Limited in January 2010, the Group's shareholdings in the associated company decreased from 49.0% to 34.4%. As a result, the Group recognised a surplus on dilution of interest of \$80.5 million in the Statement of Comprehensive Income.

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010 (in \$ million)**

	The Company		The Company	
	4th Quarter 2009-10	4th Quarter 2008-09	2009-10	2008-09
<b>PROFIT FOR THE PERIOD</b>	179.2	145.3	279.8	1,218.7
<b>OTHER COMPREHENSIVE INCOME :</b>				
Available-for-sale financial assets	--	(11.0)	1.9	(1.5)
Cash flow hedges	18.7	313.0	408.8	(693.1)
Effect of changes in group structure	--	--	1,146.3	--
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>	<u>18.7</u>	<u>302.0</u>	<u>1,557.0</u>	<u>(694.6)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>197.9</u>	<u>447.3</u>	<u>1,836.8</u>	<u>524.1</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.**

**STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2010 (in \$ million)**

	The Group		The Company	
	31-Mar 2010	31-Mar 2009	31-Mar 2010	31-Mar 2009
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>				
Share capital	1,750.6	1,684.8	1,750.6	1,684.8
Treasury shares	(0.9)	(44.4)	(0.9)	(44.4)
Capital reserve	74.8	86.3	2.5	(3.7)
Foreign currency translation reserve	(137.0)	(137.9)	--	--
Share-based compensation reserve	185.3	187.3	147.9	135.0
Fair value reserve	(140.9)	(660.8)	(85.3)	(496.0)
General reserve	11,737.0	12,815.3	11,668.5	11,623.3
	13,468.9	13,930.6	13,483.3	12,899.0
<b>MINORITY INTERESTS</b>	280.4	559.8	--	--
<b>TOTAL EQUITY</b>	13,749.3	14,490.4	13,483.3	12,899.0
<b>DEFERRED ACCOUNT</b>	480.7	673.9	443.9	582.3
<b>DEFERRED TAXATION</b>	2,296.6	2,222.0	1,945.6	1,815.9
<b>LONG-TERM LIABILITIES AND PROVISIONS</b>	1,438.1	1,513.5	1,033.1	988.1
	17,964.7	18,899.8	16,905.9	16,285.3
Represented by:-				
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Aircraft, spares and spare engines	13,007.4	13,042.5	10,739.5	10,670.1
Land and buildings	253.6	732.6	105.8	119.0
Others	1,802.9	2,217.3	1,520.1	1,780.1
	15,063.9	15,992.4	12,365.4	12,569.2
<b>INTANGIBLE ASSETS</b>	80.8	553.0	55.0	64.9
<b>INVESTMENT PROPERTIES</b>	--	7.0	--	--
<b>SUBSIDIARY COMPANIES</b>	--	--	1,805.8	1,780.8
<b>ASSOCIATED COMPANIES</b>	532.6	855.3	1,715.7	1,719.8
<b>JOINT VENTURE COMPANIES</b>	108.6	127.5	--	--
<b>LONG-TERM INVESTMENTS</b>	35.3	43.2	18.8	18.8
<b>OTHER NON-CURRENT ASSETS</b>	114.4	403.6	114.4	391.6
<b>CURRENT ASSETS</b>				
Inventories	429.5	503.2	309.8	338.7
Trade debtors	1,347.8	1,485.5	958.0	994.9
Deposits and other debtors	66.3	241.9	41.9	207.6
Prepayments	92.6	101.9	82.0	77.8
Amounts owing by subsidiary companies	--	--	141.0	284.6
Amounts owing by associated companies	--	0.4	--	--
Investments	140.6	655.6	80.0	587.6
Cash and bank balances	4,471.9	3,848.0	4,260.7	3,458.0
	6,548.7	6,836.5	5,873.4	5,949.2
Less:- <b>CURRENT LIABILITIES</b>				
Sales in advance of carriage	1,338.0	1,143.6	1,301.9	1,111.6
Deferred revenue	460.1	500.8	460.1	500.8
Current tax payable	120.8	348.0	96.5	272.6
Trade and other creditors	2,498.7	3,581.5	1,876.6	2,692.0
Amounts owing to subsidiary companies	--	--	1,298.0	1,597.8
Amounts owing to associated companies	2.0	0.6	--	--
Finance lease commitments	64.5	66.9	--	--
Loans	--	32.7	--	--
Notes payable	--	200.0	--	--
Provisions	35.5	35.3	9.5	26.7
Bank overdrafts	--	9.3	--	7.5
	4,519.6	5,918.7	5,042.6	6,209.0
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	2,029.1	917.8	830.8	(259.8)
	17,964.7	18,899.8	16,905.9	16,285.3

**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 2010		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
\$64.5 M	Nil	\$78.3 M	\$230.6 M

Amount repayable after one year

As at 31 March 2010		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
\$374.4 M	\$900.0 M	\$489.9 M	\$903.0 M

Details of any collateral

The secured borrowings pertained to finance leases of aircraft (\$438.9 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 STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010 (in \$ million)**

	The Group	
	2009-10	2008-09
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	285.5	1,198.6
Adjustments for:-		
Depreciation	1,713.8	1,649.7
Impairment of property, plant and equipment	6.1	41.4
Amortisation of intangible assets	42.7	45.5
Impairment of trade debtors	--	12.3
Income from short-term investments	(1.6)	(1.7)
Share-based compensation expense	43.5	68.6
Exchange differences	(2.0)	(3.4)
Amortisation of deferred gain on sale and operating leaseback transactions	(64.7)	(86.1)
Finance charges	68.9	89.7
Interest income	(49.5)	(96.0)
Surplus on disposal of aircraft, spares and spare engines	(25.4)	(60.6)
Surplus on disposal of non-current assets	--	(2.1)
Dividends from long-term investments, gross	(33.0)	(23.7)
Other non-operating items	(34.2)	(29.4)
Share of profits of joint venture companies	(56.1)	(63.9)
Share of profits of associated companies	(93.0)	(111.1)
Operating profit before working capital changes	1,801.0	2,627.8
Decrease in trade and other creditors	(40.9)	(516.5)
Increase/(Decrease) in sales in advance of carriage	194.4	(536.7)
(Increase)/Decrease in trade debtors	(6.6)	428.6
Decrease/(Increase) in deposits and other debtors	157.8	(160.3)
Decrease in prepayments	0.6	3.0
Decrease in inventories	24.2	56.5
(Decrease)/Increase in deferred revenue	(40.7)	65.1
Decrease in amounts owing by associated companies	--	0.1
Increase/(Decrease) in amounts owing to associated companies	1.4	(0.6)
Cash generated from operations	2,091.2	1,967.0
Income taxes paid	(125.0)	(300.0)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,966.2</b>	<b>1,667.0</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010 (in \$ million)**

	The Group	
	2009-10	2008-09
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(1,560.3)	(2,031.1)
Purchase of intangible assets	(33.8)	(21.6)
Proceeds from disposal of aircraft and other property, plant and equipment	168.5	893.3
Investments in associated companies	(1.0)	--
Disposal/(Purchase) of short-term investments	533.4	(221.6)
Investments in companies pending incorporation	--	(3.9)
Disposal of subsidiary company	(301.9)	--
Proceeds from sale of non-equity investments	--	13.6
Proceeds from disposal of shares in a subsidiary company	--	0.3
Acquisition of minority interests	--	(0.6)
Acquisition of subsidiary companies, net of cash acquired	--	(457.8)
Repayment of loans by associated companies	4.5	2.8
Proceeds from disposal of non-current assets	--	5.2
Dividends received from associated and joint venture companies	163.6	134.3
Dividends received from investments	33.7	24.5
Interest received from investments and deposits	30.7	84.6
Interest received on loans to associated companies	--	9.8
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(962.6)</b>	<b>(1,568.2)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(236.9)	(1,185.8)
Dividends paid by subsidiary companies to minority interests	(49.4)	(74.4)
Interest paid	(66.2)	(69.8)
Proceeds from borrowings	2.1	1.9
Repayment of borrowings	(25.0)	(15.2)
Repayment of long-term lease liabilities	(66.9)	(54.8)
Proceeds from issuance of share capital by subsidiary companies to minority interests	1.0	8.8
Proceeds from exercise of share options	105.7	50.6
Purchase of treasury shares	--	(64.1)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(335.6)</b>	<b>(1,402.8)</b>
<b>NET CASH INFLOW/(OUTFLOW)</b>	<b>668.0</b>	<b>(1,304.0)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>3,838.7</b>	<b>5,119.0</b>
Effect of exchange rate changes	(34.8)	23.7
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>4,471.9</b>	<b>3,838.7</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Fixed deposits	4,069.8	3,540.8
Cash and bank	402.1	307.2
Bank overdrafts	--	(9.3)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>4,471.9</b>	<b>3,838.7</b>

**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 2010 (in \$ million)**

The Group	Attributable to Equity Holders of the Company									
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Minority interests	Total equity
Balance at 1 April 2009	1,684.8	(44.4)	86.3	(137.9)	187.3	(660.8)	12,815.3	13,930.6	559.8	14,490.4
Total comprehensive (expense)/ income for the financial year	--	--	(17.7)	(22.7)	(3.2)	519.9	303.3	779.6	59.2	838.8
Issuance of share capital by a subsidiary company	--	--	--	--	--	--	--	--	1.0	1.0
Share-based compensation expense	--	--	--	--	43.5	--	--	43.5	--	43.5
Share options exercised	65.8	--	--	--	(3.4)	--	--	62.4	--	62.4
Share options lapsed	--	--	--	--	(3.0)	--	3.0	--	--	--
Treasury shares reissued pursuant to equity compensation plans	--	43.5	6.2	--	(13.7)	--	--	36.0	--	36.0
Dividend <i>in specie</i>	--	--	--	23.6	(22.2)	--	(1,147.7)	(1,146.3)	--	(1,146.3)
Disposal of a subsidiary company	--	--	--	--	--	--	--	--	(290.2)	(290.2)
Dividends	--	--	--	--	--	--	(236.9)	(236.9)	(49.4)	(286.3)
Balance at 31 March 2010	<u>1,750.6</u>	<u>(0.9)</u>	<u>74.8</u>	<u>(137.0)</u>	<u>185.3</u>	<u>(140.9)</u>	<u>11,737.0</u>	<u>13,468.9</u>	<u>280.4</u>	<u>13,749.3</u>



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (in \$ million)**

The Group	Attributable to Equity Holders of the Company									
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Minority interests	Total equity
Balance at 1 April 2008	1,682.0	(33.2)	95.6	(130.7)	136.4	443.4	12,931.7	15,125.2	503.7	15,628.9
Total comprehensive (expense)/ income for the financial year	--	--	(5.6)	(7.2)	(6.4)	(1,104.2)	1,068.3	(55.1)	109.5	54.4
Issuance of share capital by subsidiary companies	--	--	--	--	--	--	--	--	8.8	8.8
Acquisition of shares in a subsidiary company	--	--	--	--	--	--	--	--	15.2	15.2
Acquisition of minority interests	--	--	--	--	--	--	--	--	(3.3)	(3.3)
Disposal of shares in a subsidiary company	--	--	--	--	--	--	--	--	0.3	0.3
Share-based compensation expense	--	--	--	--	68.6	--	--	68.6	--	68.6
Share options exercised	2.8	--	--	--	(0.2)	--	--	2.6	--	2.6
Share options lapsed	--	--	--	--	(1.1)	--	1.1	--	--	--
Purchase of treasury shares	--	(64.1)	--	--	--	--	--	(64.1)	--	(64.1)
Treasury shares reissued pursuant to equity compensation plans	--	52.9	(3.7)	--	(10.0)	--	--	39.2	--	39.2
Dividends	--	--	--	--	--	--	(1,185.8)	(1,185.8)	(74.4)	(1,260.2)
Balance at 31 March 2009	1,684.8	(44.4)	86.3	(137.9)	187.3	(660.8)	12,815.3	13,930.6	559.8	14,490.4

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010 (in \$ million)**

The Company	Share capital	Treasury shares	Capital Reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2009	1,684.8	(44.4)	(3.7)	135.0	(496.0)	11,623.3	12,899.0
Total comprehensive income for the financial year	--	--	--	--	410.7	1,426.1	1,836.8
Share-based compensation expense	--	--	--	32.3	--	--	32.3
Share options exercised	65.8	--	--	(3.4)	--	--	62.4
Share options lapsed	--	--	--	(2.3)	--	2.3	--
Treasury shares reissued pursuant to equity compensation plans	--	43.5	6.2	(13.7)	--	--	36.0
Dividend <i>in specie</i>	--	--	--	--	--	(1,146.3)	(1,146.3)
Dividends	--	--	--	--	--	(236.9)	(236.9)
Balance at 31 March 2010	<u>1,750.6</u>	<u>(0.9)</u>	<u>2.5</u>	<u>147.9</u>	<u>(85.3)</u>	<u>11,668.5</u>	<u>13,483.3</u>

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (in \$ million)**

The Company	Share capital	Treasury shares	Capital Reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2008	1,682.0	(33.2)	--	98.6	198.6	11,589.7	13,535.7
Total comprehensive (expense)/income for the financial year	--	--	--	--	(694.6)	1,218.7	524.1
Share-based compensation expense	--	--	--	47.3	--	--	47.3
Share options exercised	2.8	--	--	(0.2)	--	--	2.6
Share options lapsed	--	--	--	(0.7)	--	0.7	--
Purchase of treasury shares	--	(64.1)	--	--	--	--	(64.1)
Treasury shares reissued pursuant to equity compensation plans	--	52.9	(3.7)	(10.0)	--	--	39.2
Dividends	--	--	--	--	--	(1,185.8)	(1,185.8)
Balance at 31 March 2009	<u>1,684.8</u>	<u>(44.4)</u>	<u>(3.7)</u>	<u>135.0</u>	<u>(496.0)</u>	<u>11,623.3</u>	<u>12,899.0</u>

**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**

Share Capital

During the financial year, the Company issued 5,060,721 shares upon exercise of options granted under the Employee Share Option Plan.

Group and Company	Number of Shares	Share Capital (\$ million)
Issued and fully paid share capital		
<u>Ordinary shares</u>		
Balance at 1 April 2009	1,186,547,790	1,684.8
Share options exercised during the financial year	5,060,721	65.8
Balance at 31 March 2010	1,191,608,511	1,750.6

As at 31 March 2010, the number of ordinary shares in issue was 1,191,608,511, of which 76,484 were held by the Company as treasury shares. The share capital was \$1,750.6 million. (31 March 2009 : 1,186,547,790 ordinary shares of which 3,907,198 were held as treasury shares.)

### Employee Share Option Plan

As at 31 March 2010, the number of share options of the Company outstanding was 52,411,320 (31 March 2009: 63,383,492).

During the financial year, 8,429,077 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 financial year is as follows :

Date of Grant	Balance at 01.04.2009	Cancelled during 01.04.2009 to 31.03.2010	Exercised during 01.04.2009 to 31.03.2010	Balance at 31.03.2010	Exercise price*	Expiry date
28.03.2000	4,337,331	(836,929)	(3,500,402)	-	\$13.13	27.03.2010
03.07.2000	4,605,445	(349,940)	(595,980)	3,659,525	\$14.44	02.07.2010
02.07.2001	2,316,418	(144,785)	(307,570)	1,864,063	\$9.75	01.07.2011
01.07.2002	3,406,111	(124,000)	(358,222)	2,923,889	\$10.61	30.06.2012
01.07.2003	2,524,376	(118,271)	(419,157)	1,986,948	\$8.13	30.06.2013
01.07.2004	4,219,687	(130,323)	(678,793)	3,410,571	\$8.49	30.06.2014
01.07.2005	7,441,664	(63,850)	(1,014,651)	6,363,163	\$9.07	30.06.2015
03.07.2006	10,136,708	(113,273)	(1,429,299)	8,594,136	\$10.39	02.07.2016
02.07.2007	11,752,920	(307,420)	(950)	11,444,550	\$16.51	01.07.2017
01.07.2008	12,642,832	(354,304)	(124,053)	12,164,475	\$13.12	30.06.2018
	63,383,492	(2,543,095)	(8,429,077)	52,411,320		

\* 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 share options outstanding on 2 August 2007. The said Committee approved another \$1.71 reduction in the exercise prices of the share options outstanding on 28 August 2009 following approval by the Company's shareholders of the dividend *in specie* of SATS shares on 31 July 2009. The exercise prices reflected here are the exercise prices after such adjustments.

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 150% of the initial grant of the restricted shares and between 0% and 200% of the initial grant of the performance shares.

As at 31 March 2010, the number of outstanding shares granted under the Company's RSP and PSP were 1,734,240 (31 March 2009: 1,287,203) and 644,163 respectively (31 March 2009: 524,853).

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

Date of grant	Number of Restricted Shares						Balance at 31.03.2010
	Balance at 01.04.2009/ date of grant	Granted during 01.04.2009 to 31.03.2010	Adjustment#	Cancelled	Vested	Modification*	
<b>RSP</b>							
27.07.2006	139,749	-	-	(734)	(74,432)	7,726	72,309
01.08.2007	496,842	-	46,710	(8,692)	(282,960)	30,199	282,099
01.07.2008	650,612	-	-	(5,400)	-	77,411	722,623
29.07.2009	-	586,811	-	-	-	70,398	657,209
	1,287,203	586,811	46,710	(14,826)	(357,392)	185,734	1,734,240

# Adjustment at the end of two-year performance period upon meeting stated performance targets.

\* Following approval by the Company's shareholders of the dividend *in specie* of SATS shares on 31 July 2009, the Board Compensation and Industrial Relations Committee approved an increase in all restricted shares outstanding on 12 August 2009 under the RSP.

Date of grant	Number of Performance Shares						Balance at 31.03.2010
	Balance at 01.04.2009/ date of grant	Granted during 01.04.2009 to 31.03.2010	Adjustment#	Cancelled	Vested	Modification*	
<b>PSP</b>							
27.07.2006	144,701	-	(35,000)	(4,735)	(104,966)	-	-
01.08.2007	157,952	-	-	-	-	18,947	176,899
01.07.2008	222,200	-	-	-	-	26,664	248,864
29.07.2009	-	195,000	-	-	-	23,400	218,400
	524,853	195,000	(35,000)	(4,735)	(104,966)	69,011	644,163

# Adjustment at the end of two-year performance period upon meeting stated performance targets.

\* Following approval by the Company's shareholders of the dividend *in specie* of SATS shares on 31 July 2009, the Board Compensation and Industrial Relations Committee approved an increase in all restricted shares outstanding on 12 August 2009 under the PSP.

**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.**

As at 31 March 2010, the total number of issued ordinary shares was 1,191,608,511, of which 76,484 were held by the Company as treasury shares. (31 March 2009 : 1,186,547,790 ordinary shares of which 3,907,198 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.**

During the financial year, the Company did not purchase any treasury shares (2008-09 : 5,177,000).

The Company transferred 3,368,356 of the treasury shares to employees on exercise of share options and another 462,358 on vesting of share-based incentive plans. Treasury shares are presented as a component within equity attributable to equity holders of the Company.

Group and Company	Number of Shares	Treasury Shares (\$ million)
Balance at 1 April 2009	3,907,198	(44.4)
Treasury shares transferred on exercise of share options	(3,368,356)	38.3
Treasury shares transferred on vesting of share-based incentive plans	(462,358)	5.2
Balance at 31 March 2010	76,484	(0.9)

**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 preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2009. The adoption of the new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for financial year beginning on or after 1 April 2009 has no significant impact on 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	
	4th Quarter 2009-10	4th Quarter 2008-09	2009-10	2008-09
Earnings per share (cents)				
- Basic	23.4	3.5	18.2	89.6
- Diluted	23.1	3.5	18.0	89.1

**7** Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares 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 10	As at 31 Mar 09	As at 31 Mar 10	As at 31 Mar 09
Net asset value per ordinary share (\$)	11.30	11.78	11.32	10.91

**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**

The Group earned a net profit attributable to equity holders of \$216 million for the financial year ended 31 March 2010, maintaining its unbroken record of full year profitability. Together with the \$404 million net profit in the third quarter, the fourth quarter net profit of \$278 million reversed the \$466 million loss recorded in the first half.

Group revenue in the fourth quarter at \$3,336 million rose 0.4% (+\$15 million) over the same quarter a year ago, with higher passenger and cargo carriage.

For the quarter, total Group expenditure was reduced by \$254 million (-7.6%) year-on-year to \$3,095 million. Expenditure on fuel increased \$220 million (+29.1%) owing to higher jet fuel prices. However, this was offset by a reduction of \$524 million in hedging losses, from \$543 million in January – March 2009 to \$19 million for the same period this year.

Consequently, Group operating profit for the quarter ended 31 March 2010 was \$241 million, a \$269 million improvement from the \$28 million operating loss in the corresponding quarter of the preceding year. Discounting the contribution in January – March 2009 from SATS, which was then a subsidiary, the year-on-year improvement was \$48 million higher at \$317 million.

The Parent Airline Company earned an operating profit of \$159 million in the fourth quarter of the financial year, \$145 million higher than the same quarter in the preceding financial year, reflecting a recovery in load factors.

All the major subsidiaries in the Group achieved better year-on-year operating results in the fourth quarter:

- SIA Engineering            Operating profit of     \$   41 million (profit of \$27 million in 2009)
- SilkAir                     Operating profit of     \$   31 million (profit of \$17 million in 2009)
- SIA Cargo                 Operating profit of     \$    8 million (loss of \$123 million in 2009)

## **BALANCE SHEET REVIEW**

Equity attributable to equity holders decreased by \$461.7 million or 3.3% to \$13,468.9 million as at 31 March 2010 due mainly to the deconsolidation of SATS group upon the distribution of the dividend in specie (\$1,146.3 million) and payment of final dividends in respect of FY2008-09 (\$236.9 million). This was partially offset by profit for the year (\$215.8 million) and an increase in fair value reserve of \$519.9 million. The increase in fair value reserve was mainly due to a decrease in fair value loss on outstanding fuel hedging contracts following a rise in jet fuel prices and reduction in fuel volume hedged as contracts mature. This was partially offset by a reduction in fair value gains on outstanding foreign exchange currency hedging contracts.

Total Group assets decreased by \$2,334.2 million or 9.4% to \$22,484.3 million as at 31 March 2010 mainly as a result of the divestment of SATS Group, with \$2,045.1 million of assets being deconsolidated. Deposits and other debtors declined by \$162.9 million as previously placed margin call deposits in relation to fuel hedging contracts were refunded.

Total Group liabilities fell \$1,593.1 million or 15.4% to \$8,735.0 million as at 31 March 2010 primarily from the decrease in trade and other creditors of \$870.8 million, mainly attributable to lower fair value losses on outstanding fuel hedges. In addition, the deconsolidation of SATS Group resulted in a further reduction of \$608.0 million in the total Group liabilities.

**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.**

## **OUTLOOK**

In the year to March 2011, the Parent Company expects to take delivery of four A380-800s and eight A330-300s, while one B747-400 (to be returned at end of lease) and ten B777s (four sold and six leased out) are expected to leave the fleet. The resulting increase of one aircraft will bring the Company's fleet to a total of 109 aircraft by March 2011. The planned deployment will produce a net growth of 2 per cent in available seat-kilometres.

Fuel cost will continue to be a major expense of the Group. The price of jet fuel has hovered around US\$90 per barrel recently. It is difficult to predict how the price will behave over the course of the year. The Group's uplift of jet fuel in FY2010-11 is projected to be 33 million barrels. At this point, the intention is to hedge at least a fifth of the required uplift.

Advance bookings for travel in the year ahead are encouraging, especially in Business Class. Similarly, forward indicators suggest that the recent recovery in volumes of air cargo will hold up in the near term. Yields for both passenger and cargo should keep pace with the growth in demand. The sustainability of this improvement depends on developments in the world economy and on business and consumer confidence.

## **11 Dividend**

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

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

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share	-	12.0 cents per ordinary share

### **(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	20.0 cents per ordinary share	20.0 cents per ordinary share

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

The final dividend, if so approved by shareholders, will be paid on 17 August 2010.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the final dividend being obtained at the Thirty-Eighth Annual General Meeting to be held on 27 July 2010, the Transfer Books and the Register of Members of the Company will be closed on 4 August 2010 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 3 August 2010 will be registered to determine shareholders' entitlements to the final dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 3 August 2010 will be entitled to the final dividend.

The final dividend, if so approved by shareholders, will be paid on 17 August 2010.

**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 and food operations		Engineering services		Cargo Operations		Others		Total of segments		Elimination*		Consolidated	
	09-10	08-09	09-10	08-09	09-10	08-09	09-10	08-09	09-10	08-09	09-10	08-09	09-10	08-09	09-10	08-09
<b>TOTAL REVENUE</b>																
External revenue	9,635.4	12,160.4	370.4	451.2	370.0	358.5	2,288.2	2,965.7	43.3	60.5	12,707.3	15,996.3	-	-	12,707.3	15,996.3
Inter-segment revenue	1,044.6	1,431.8	226.5	610.9	636.4	686.8	8.2	8.3	109.9	133.4	2,025.6	2,871.2	(2,025.6)	(2,871.2)	-	-
	<u>10,680.0</u>	<u>13,592.2</u>	<u>596.9</u>	<u>1,062.1</u>	<u>1,006.4</u>	<u>1,045.3</u>	<u>2,296.4</u>	<u>2,974.0</u>	<u>153.2</u>	<u>193.9</u>	<u>14,732.9</u>	<u>18,867.5</u>	<u>(2,025.6)</u>	<u>(2,871.2)</u>	<u>12,707.3</u>	<u>15,996.3</u>
<b>RESULTS</b>																
Segment result	10.6	856.4	70.5	170.9	110.4	112.6	(145.1)	(245.0)	18.1	10.8	64.5	905.7	(1.3)	(2.1)	63.2	903.6
Finance charges	(51.2)	(71.4)	(3.3)	(6.7)	-	-	(18.3)	(25.6)	-	-	(72.8)	(103.7)	3.9	14.0	(68.9)	(89.7)
Interest income	48.8	97.6	0.4	6.9	1.0	3.9	2.7	10.5	0.5	0.9	53.4	119.8	(3.9)	(23.8)	49.5	96.0
Surplus on disposal of aircraft, spares and spare engines	25.3	12.8	-	-	-	-	0.2	52.7	-	-	25.5	65.5	(0.1)	(4.9)	25.4	60.6
Dividends from subsidiary and associated companies, gross	199.2	341.4	-	-	-	-	1.5	1.0	-	0.1	200.7	342.5	(200.7)	(342.5)	-	-
Dividends from long-term investments, gross	17.5	11.5	-	1.1	15.5	11.1	-	-	-	-	33.0	23.7	-	-	33.0	23.7
Other non-operating items	34.4	40.1	0.8	(10.9)	6.0	0.1	-	0.1	0.2	(5.8)	41.4	23.6	(7.2)	5.8	34.2	29.4
Share of profits of joint venture companies	-	-	-	-	56.1	63.9	-	-	-	-	56.1	63.9	-	-	56.1	63.9
Share of profits/(losses) of associated companies	5.7	(20.3)	16.7	22.2	73.6	109.1	(3.0)	(9.7)	-	-	93.0	101.3	-	9.8	93.0	111.1
Taxation	31.4	(38.7)	(18.2)	(35.1)	(24.5)	(37.4)	10.2	52.4	(2.9)	(2.6)	(4.0)	(61.4)	(2.0)	9.6	(6.0)	(51.8)
Profit/(Loss) for the financial year	<u>321.7</u>	<u>1,229.4</u>	<u>66.9</u>	<u>148.4</u>	<u>238.1</u>	<u>263.3</u>	<u>(151.8)</u>	<u>(163.6)</u>	<u>15.9</u>	<u>3.4</u>	<u>490.8</u>	<u>1,480.9</u>	<u>(211.3)</u>	<u>(334.1)</u>	<u>279.5</u>	<u>1,146.8</u>
Attributable to:																
Equity holders of the Company															215.8	1,061.5
Minority interests															<u>63.7</u>	<u>85.3</u>
															<u>279.5</u>	<u>1,146.8</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	2009-10	2008-09
East Asia	3,791.5	4,636.4
Europe	1,534.0	2,067.6
South West Pacific	1,291.6	1,793.9
Americas	620.4	751.0
West Asia and Africa	493.6	676.2
Systemwide	7,731.1	9,925.1
Non-scheduled services and incidental revenue	2,948.9	3,667.1
Total	10,680.0	13,592.2

**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.**

**BREAKDOWN OF REVENUE AND RESULTS (in \$ million)**

The Group	2009-10	2008-09	% Change
<b>First Half</b>			
Revenue reported for the first half-year	5,953.5	8,511.0	- 30.1
(Loss)/Profit after tax reported for the first half-year	(429.8)	723.0	n.m.
<b>Second Half</b>			
Revenue reported for the second half-year	6,753.8	7,485.3	- 9.8
Profit after tax reported for the second half-year	709.3	423.8	+ 67.4

**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)	2009-10	2008-09
Ordinary dividend		
- Interim	-	237.1
- Final #	143.0	236.9
Total	143.0	474.0

# 2009-10 Final dividend is estimated based on number of shares outstanding as at the end of the financial year.

## 17 Interested Person Transactions

The aggregate values of all Interested Person Transactions ("IPTs") entered into during the Financial Year 2009-10 are as follows:

Name of Interested Person	Aggregate value of all IPTs 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 IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	<b>S\$</b>	<b>S\$</b>
<b>Singapore Airport Terminal Services Limited Group</b>		
Aero Laundry & Linen Services Private Limited	-	6,665,316
Air India - SATS Joint Venture (50:50)	-	766,246
Beijing Airport Inflight Kitchen Limited	-	2,399,024
Beijing Aviation Ground Services Company Ltd	-	2,905,204
Maldives Inflight Catering Pte Ltd	-	691,312
PT Jasa Angkasa Semesta Tbk	-	5,211,239
SATS Airport Services Pte Ltd	-	15,320,148
SATS Catering Pte Ltd	-	10,441,980
SATS HK Limited	-	947,457
SATS Security Services Private Limited	-	13,092,106
Singapore Airport Terminal Services Limited	-	237,166,371
Taj Madras Flight Kitchen Pvt Limited	-	383,689
Taj SATS Air Catering Ltd	-	2,281,399
Tan Son Nhat Cargo Services Ltd (TCS)	-	491,998
<b>Singapore Technologies Engineering Ltd Group</b>		
ST Aerospace Engineering Pte Ltd	-	511,766
<b>Singapore Telecommunications Limited Group</b>		
NCS Pte Ltd	-	1,264,000
Singapore Telecommunications Limited	-	975,956
Trusted Hub Limited	-	189,061
<b>Temasek Holdings (Private) Limited Group</b>		
Asprecise Pte Ltd	-	600,000
Certis CISCO Security Pte Ltd	-	514,064
Great Wall Airlines Company Limited	-	2,343,659
MediaCorp Pte Ltd	-	187,600
PT Bank Danamon Indonesia TBK	-	193,636
Temasek Holdings (Private) Limited	-	408,800
Tiger Airways Singapore Pte Ltd	-	113,880
<b>Total Interested Person Transactions</b>	-	<b>306,065,911</b>

By Order of the Board

Ethel Tan (Mrs)  
Company Secretary  
21 May 2010

**INDEPENDENT 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 9 to 91, which comprise the statements of financial position of the Group and the Company as at 31 March 2010, the statements of changes in equity of the Group and the Company and the consolidated profit and loss account, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Financial Statements*

Management is 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 devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; 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, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 statement of financial position 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 2010 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 LLP  
Public Accountants and  
Certified Public Accountants

Dated this 21st day of May 2010  
Singapore

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010 (in \$ million)**

	The Group		The Group	
	4th Quarter 2009-10	4th Quarter 2008-09 Proforma*	2009-10	2008-09 Proforma*
<b>REVENUE</b>	3,335.8	3,169.2	12,707.3	15,726.4
<b>EXPENDITURE</b>				
Staff costs	495.2	468.9	2,159.4	2,320.9
Fuel costs	996.5	1,300.6	4,194.5	6,408.4
Depreciation	425.1	403.2	1,713.8	1,616.1
Impairment of property, plant and equipment	3.3	--	6.1	41.4
Amortisation of intangible assets	6.4	5.6	42.7	37.5
Aircraft maintenance and overhaul costs	82.8	81.6	342.4	381.6
Commission and incentives	86.1	67.6	316.5	394.5
Landing, parking and overflying charges	145.1	146.8	588.6	656.9
Handling charges	235.0	209.4	784.9	770.4
Rentals on leased aircraft	132.3	136.5	552.9	487.8
Material costs	58.6	57.7	375.4	268.7
Inflight meals	110.3	102.7	347.7	379.2
Advertising and sales costs	55.5	71.4	210.3	234.0
Insurance expenses	14.2	15.6	57.6	60.4
Company accommodation and utilities	29.3	30.1	142.0	140.0
Other passenger costs	32.9	36.4	130.4	146.7
Crew expenses	33.6	44.5	153.4	184.7
Other operating expenses	152.6	66.2	525.5	401.2
	<u>3,094.8</u>	<u>3,244.8</u>	<u>12,644.1</u>	<u>14,930.4</u>
<b>OPERATING PROFIT/(LOSS)</b>	241.0	(75.6)	63.2	796.0
Finance charges	(13.6)	(18.1)	(68.9)	(85.5)
Interest income	10.9	16.2	49.5	93.4
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(1.6)	(5.5)	25.4	60.6
Dividends from long-term investments, gross	2.9	1.6	33.0	22.5
Other non-operating items	7.3	13.5	34.2	41.3
Share of profits of joint venture companies	15.0	19.9	56.1	63.9
Share of profits/(losses) of associated companies	19.0	(110.3)	93.0	96.9
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<u>280.9</u>	<u>(158.3)</u>	<u>285.5</u>	<u>1,089.1</u>
<b>TAXATION</b>				
Taxation expense	13.0	42.8	(6.0)	(170.0)
Adjustment for reduction in Singapore statutory tax rate	--	135.3	--	135.3
	<u>13.0</u>	<u>178.1</u>	<u>(6.0)</u>	<u>(34.7)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>293.9</u>	<u>19.8</u>	<u>279.5</u>	<u>1,054.4</u>
<b>PROFIT ATTRIBUTABLE TO:</b>				
<b>EQUITY HOLDERS OF THE COMPANY</b>	278.0	5.6	215.8	986.7
<b>MINORITY INTERESTS</b>	15.9	14.2	63.7	67.7
	<u>293.9</u>	<u>19.8</u>	<u>279.5</u>	<u>1,054.4</u>

\* SATS Group was deconsolidated from the Group with effect from 1 September 2009, after completion of the dividend *in specie* distribution. For comparison purposes, a proforma consolidated profit and loss account for the quarter and year ended 31 March 2009 was prepared to exclude the operations of SATS Group from 1 September 2008.