



AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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 2014 (in \$ million)

| | The Group | | The Group | |
|---|------------------------------------|------------------------------------|-----------------|-----------------|
| | 4 th Quarter 2013-14 | 4 th Quarter 2012-13 | 2013-14 | 2012-13 |
| REVENUE | 3,628.4 | 3,666.8 | 15,243.9 | 15,098.2 |
| EXPENDITURE | | | | |
| Staff costs | 576.2 | 602.9 | 2,336.7 | 2,353.3 |
| Fuel costs | 1,383.4 | 1,440.6 | 5,702.1 | 5,899.4 |
| Depreciation | 377.1 | 403.6 | 1,575.5 | 1,589.1 |
| Impairment of property, plant and equipment | 7.1 | 6.8 | 20.2 | 9.8 |
| Amortisation of intangible assets | 6.8 | 5.8 | 25.7 | 22.7 |
| Aircraft maintenance and overhaul costs | 163.6 | 145.6 | 641.8 | 539.3 |
| Commission and incentives | 84.3 | 89.4 | 346.6 | 355.5 |
| Landing, parking and overflying charges | 175.3 | 164.9 | 716.6 | 687.8 |
| Handling charges | 253.7 | 241.2 | 1,038.7 | 1,006.1 |
| Rentals on leased aircraft | 175.1 | 139.0 | 649.5 | 553.6 |
| Material costs | 60.1 | 51.8 | 223.1 | 214.2 |
| Inflight meals | 133.6 | 134.0 | 549.1 | 543.1 |
| Advertising and sales costs | 79.0 | 60.1 | 257.6 | 209.3 |
| Insurance expenses | 10.2 | 10.5 | 41.5 | 43.3 |
| Company accommodation and utilities | 31.4 | 29.0 | 119.1 | 115.6 |
| Other passenger costs | 46.1 | 34.4 | 173.3 | 158.4 |
| Crew expenses | 34.7 | 36.1 | 144.7 | 148.2 |
| Other operating expenses | 91.0 | 115.3 | 422.8 | 420.3 |
| | <u>3,688.7</u> | <u>3,711.0</u> | <u>14,984.6</u> | <u>14,869.0</u> |
| OPERATING (LOSS)/PROFIT | (60.3) | (44.2) | 259.3 | 229.2 |
| Finance charges | (8.6) | (10.7) | (37.3) | (42.7) |
| Interest income | 14.7 | 14.2 | 62.7 | 62.5 |
| Surplus on disposal of aircraft, spares and spare engines | 15.2 | 54.7 | 51.2 | 56.0 |
| Dividends from long-term investments | 2.2 | 3.7 | 19.6 | 27.3 |
| Other non-operating items | 1.1 | 0.2 | 1.9 | 11.9 |
| Share of profits of joint venture companies | 22.0 | 25.4 | 94.0 | 94.9 |
| Share of (losses)/ profits of associated companies | (33.7) | 14.4 | (45.2) | 50.4 |
| (LOSS)/PROFIT BEFORE EXCEPTIONAL ITEMS | <u>(47.4)</u> | <u>57.7</u> | <u>406.2</u> | <u>489.5</u> |
| EXCEPTIONAL ITEMS | 19.8 | - | (38.3) | (19.9) |
| (LOSS)/PROFIT BEFORE TAXATION | <u>(27.6)</u> | <u>57.7</u> | <u>367.9</u> | <u>469.6</u> |
| TAXATION | 70.9 | 26.7 | 56.5 | (28.0) |
| PROFIT FOR THE PERIOD | <u>43.3</u> | <u>84.4</u> | <u>424.4</u> | <u>441.6</u> |
| PROFIT ATTRIBUTABLE TO: | | | | |
| OWNERS OF THE PARENT | 27.0 | 68.3 | 359.5 | 378.9 |
| NON-CONTROLLING INTERESTS | 16.3 | 16.1 | 64.9 | 62.7 |
| | <u>43.3</u> | <u>84.4</u> | <u>424.4</u> | <u>441.6</u> |
| BASIC EARNINGS PER SHARE (CENTS) | 2.3 | 5.8 | 30.6 | 32.2 |
| DILUTED EARNINGS PER SHARE (CENTS) | 2.3 | 5.7 | 30.3 | 31.9 |

Notes:

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

| | The Group | | The Group | |
|---|------------------------------------|------------------------------------|-----------|---------|
| | 4 th Quarter 2013-14 | 4 th Quarter 2012-13 | 2013-14 | 2012-13 |
| Compensation for changes in aircraft delivery slots | (16.8) | - | (125.8) | - |
| Interest income from short-term investments | (0.2) | (0.2) | (0.7) | (0.7) |
| Dividend income from short-term investments | (0.1) | (0.2) | (0.9) | (1.0) |
| Income from operating lease of aircraft | (13.7) | (19.6) | (73.3) | (92.2) |
| Amortisation of deferred (gain)/loss on sale and operating leaseback transactions | (3.4) | 0.9 | (12.6) | 3.3 |
| (Surplus)/Loss on disposal of short-term investments | (0.5) | (0.8) | (0.6) | 1.1 |
| Bad debts written off | 0.1 | - | 0.4 | 0.5 |
| Impairment/(Writeback of impairment) of trade debtors | 0.4 | (2.5) | 1.1 | (8.8) |
| Writedown on inventories | 3.4 | 15.6 | 22.3 | 32.3 |
| Exchange loss, net | 7.5 | 21.6 | 74.5 | 82.5 |
| Currency hedging gain | (6.6) | (8.3) | (50.5) | (29.4) |
| Fuel hedging gain recognised in "Fuel costs" | (19.0) | (24.8) | (74.2) | (33.8) |
| Ineffectiveness of fuel hedging contracts recognised in "Fuel costs" | (10.1) | - | (13.2) | - |
| Overprovision of tax in respect of prior years | (11.4) | (20.1) | (77.2) | (32.0) |

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

| | The Group | | The Group | |
|--|------------------------------------|------------------------------------|------------|-------------|
| | 4 th Quarter 2013-14 | 4 th Quarter 2012-13 | 2013-14 | 2012-13 |
| Surplus on disposal of other property, plant and equipment | 0.9 | 0.2 | 1.7 | 0.6 |
| Gain on liquidation of a subsidiary company | 0.2 | - | 0.2 | - |
| Gain on disposal of an associated company | - | - | - | 8.3 |
| Recognition of liquidated damages | - | - | - | 0.3 |
| Dividends from an associated company | - | - | - | 2.7 |
| | <u>1.1</u> | <u>0.2</u> | <u>1.9</u> | <u>11.9</u> |

(iii) Exceptional items comprise the following:

| | The Group | | The Group | |
|---|------------------------------------|------------------------------------|---------------|---------------|
| | 4 th Quarter 2013-14 | 4 th Quarter 2012-13 | 2013-14 | 2012-13 |
| Gain on divestment of an associated company | 31.6 | - | 371.5 | - |
| Impairment of freighters | - | - | (293.4) | - |
| Impairment of property, plant and equipment of Singapore Flying College | (5.4) | - | (29.4) | - |
| Provision for penalties and costs incurred by Singapore Airlines Cargo | (6.4) | - | (87.0) | (19.9) |
| | <u>19.8</u> | <u>-</u> | <u>(38.3)</u> | <u>(19.9)</u> |

During the financial year, the Company completed the sale of its 49% stake in Virgin Atlantic Limited for a consideration of US\$361.0 million (\$455.3 million). Under the equity method, the Group has previously accounted for \$116.6 million in the reserves, which have been offset against the net sales proceeds (after certain post-closing adjustments) of \$488.1 million, resulting in a gain of \$371.5 million.

(iii) Exceptional items comprise the following (continued):

Singapore Airlines Cargo ("SIA Cargo") recorded an impairment loss of \$293.4 million on four surplus freighters that have been removed from the operating fleet.

Singapore Flying College ("SFC") recognised an impairment loss of \$29.4 million on their assets, with the impending closure of the college's operations in Maroochydore, Australia.

The provision for penalties and costs of \$87.0 million pertained to provision for settlements between SIA Cargo and the plaintiffs in the United States air cargo class action for US\$62.8 million (\$78.3 million) and the plaintiffs in the Australian air cargo class action for A\$5.6 million (\$6.4 million), as well as penalties and costs of CHF1.7 million (\$2.3 million) imposed by the Swiss Competition Commission in respect of the air cargo issues. The United States and Australian class action settlements are subject to the respective Courts' approvals. As for the Swiss Competition Commission decision, SIA Cargo and the Company have filed an appeal to the Swiss Federal Administrative Tribunal seeking its annulment.

During the previous financial year, SIA Cargo confirmed its acceptance of settlement agreements with the Australian Competition and Consumer Commission for an amount of A\$12.2 million (\$15.5 million) and the New Zealand Commerce Commission for an amount of NZ\$4.4 million (\$4.4 million). The penalties and costs were recommended by the parties and endorsed by the respective Courts, bringing the Commissions' air cargo investigations and proceedings in Australia and New Zealand to a close for SIA Cargo.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (in \$ million)**

| | The Group | | The Group | |
|--|------------------------------------|------------------------------------|--------------|--------------|
| | 4 th Quarter 2013-14 | 4 th Quarter 2012-13 | 2013-14 | 2012-13 |
| PROFIT FOR THE PERIOD | 43.3 | 84.4 | 424.4 | 441.6 |
| OTHER COMPREHENSIVE INCOME: | | | | |
| <u>Items that may be reclassified subsequently to profit or loss:</u> | | | | |
| Currency translation differences | (4.5) | 6.2 | 14.0 | (6.6) |
| Available-for-sale financial assets | 2.4 | 0.5 | (71.9) | 4.2 |
| Cash flow hedges | (124.3) | 3.5 | 20.8 | 17.3 |
| Surplus on dilution of interest in an associated company due to share options exercised | 0.1 | - | 0.6 | 0.1 |
| Share of comprehensive income of associated and joint venture companies | (1.6) | (0.3) | (1.3) | (0.8) |
| Realisation of reserves on disposal of an associated company | - | - | 116.6 | - |
| <u>Items that will not be reclassified subsequently to profit or loss:</u> | | | | |
| Actuarial loss on revaluation of defined benefit plans | (0.7) | (4.4) | (0.7) | (4.4) |
| Share of gain on property revaluation of an associated company | 13.1 | 12.5 | 13.1 | 12.5 |
| | <u>(115.5)</u> | <u>18.0</u> | <u>91.2</u> | <u>22.3</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX | <u>(72.2)</u> | <u>102.4</u> | <u>515.6</u> | <u>463.9</u> |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| OWNERS OF THE PARENT | (87.9) | 84.7 | 449.4 | 402.1 |
| NON-CONTROLLING INTERESTS | 15.7 | 17.7 | 66.2 | 61.8 |
| | <u>(72.2)</u> | <u>102.4</u> | <u>515.6</u> | <u>463.9</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.

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2014 (in \$ million)

| | The Group | | The Company | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31-Mar 2014 | 31-Mar 2013 | 31-Mar 2014 | 31-Mar 2013 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | | | |
| Share capital | 1,856.1 | 1,856.1 | 1,856.1 | 1,856.1 |
| Treasury shares | (262.2) | (269.8) | (262.2) | (269.8) |
| Other reserves | 11,643.3 | 11,503.2 | 10,518.2 | 10,359.2 |
| | 13,237.2 | 13,089.5 | 12,112.1 | 11,945.5 |
| NON-CONTROLLING INTERESTS | 337.4 | 312.6 | - | - |
| TOTAL EQUITY | 13,574.6 | 13,402.1 | 12,112.1 | 11,945.5 |
| DEFERRED ACCOUNT | 226.4 | 146.7 | 213.1 | 127.8 |
| DEFERRED TAXATION | 1,788.9 | 1,948.2 | 1,516.2 | 1,618.6 |
| LONG-TERM LIABILITIES | 904.3 | 944.5 | 800.0 | 803.9 |
| PROVISIONS | 587.3 | 421.3 | 555.8 | 376.1 |
| DEFINED BENEFIT PLANS | 169.6 | 163.7 | 162.0 | 156.4 |
| | <u>17,251.1</u> | <u>17,026.5</u> | <u>15,359.2</u> | <u>15,028.3</u> |
| Represented by:- | | | | |
| PROPERTY, PLANT AND EQUIPMENT | | | | |
| Aircraft, spares and spare engines | 10,100.8 | 10,875.6 | 8,378.1 | 8,746.8 |
| Land and buildings | 226.9 | 242.5 | 64.9 | 70.7 |
| Others | 2,699.0 | 1,979.9 | 1,815.9 | 1,581.8 |
| | 13,026.7 | 13,098.0 | 10,258.9 | 10,399.3 |
| INTANGIBLE ASSETS | 223.4 | 218.5 | 157.9 | 159.0 |
| SUBSIDIARY COMPANIES | - | - | 2,021.6 | 2,030.1 |
| ASSOCIATED COMPANIES | 729.4 | 554.4 | 313.5 | 532.5 |
| JOINT VENTURE COMPANIES | 126.5 | 120.8 | - | - |
| LONG-TERM INVESTMENTS | 1,125.2 | 706.9 | 1,045.1 | 626.8 |
| OTHER RECEIVABLES | 92.2 | 213.9 | 92.2 | 213.9 |
| DEFERRED ACCOUNT | 8.4 | 16.1 | - | - |
| CURRENT ASSETS | | | | |
| Inventories | 243.0 | 274.9 | 169.2 | 192.7 |
| Trade debtors | 1,604.7 | 1,578.4 | 1,113.2 | 1,080.9 |
| Deposits and other debtors | 50.1 | 54.9 | 20.3 | 36.6 |
| Prepayments | 107.5 | 103.2 | 83.5 | 75.8 |
| Amounts owing by subsidiary companies | - | - | 599.9 | 189.9 |
| Investments | 287.4 | 349.4 | 233.3 | 289.4 |
| Derivative assets | 134.1 | 79.1 | 133.3 | 77.7 |
| Cash and bank balances | 4,883.9 | 5,059.6 | 4,623.8 | 4,834.3 |
| | <u>7,310.7</u> | <u>7,499.5</u> | <u>6,976.5</u> | <u>6,777.3</u> |
| Less: CURRENT LIABILITIES | | | | |
| Sales in advance of carriage | 1,446.3 | 1,434.3 | 1,376.4 | 1,367.7 |
| Deferred revenue | 572.9 | 532.5 | 572.9 | 532.5 |
| Current tax payable | 201.1 | 160.1 | 161.8 | 130.2 |
| Trade and other creditors | 2,977.9 | 3,055.7 | 2,287.4 | 2,369.5 |
| Amounts owing to subsidiary companies | - | - | 1,034.8 | 1,219.8 |
| Finance lease commitments | 52.5 | 67.8 | - | - |
| Loans | 8.2 | 5.7 | - | - |
| Provisions | 75.7 | 72.3 | 44.0 | 65.2 |
| Derivative liabilities | 56.8 | 73.2 | 29.2 | 25.7 |
| | <u>5,391.4</u> | <u>5,401.6</u> | <u>5,506.5</u> | <u>5,710.6</u> |
| NET CURRENT ASSETS | <u>1,919.3</u> | <u>2,097.9</u> | <u>1,470.0</u> | <u>1,066.7</u> |
| | <u>17,251.1</u> | <u>17,026.5</u> | <u>15,359.2</u> | <u>15,028.3</u> |

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 2014 | | As at 31 March 2013 | |
|---------------------|-----------|---------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$52.5M | \$8.2M | \$67.8M | \$5.7M |

Amount repayable after one year

| As at 31 March 2014 | | As at 31 March 2013 | |
|---------------------|-----------|---------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$90.7M | \$813.6M | \$140.6M | \$800.0M |

Details of any collateral

The secured borrowings pertained to finance leases of aircraft (\$143.2 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 STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (in \$ million)**

| | The Group | |
|---|----------------|----------------|
| | 2013-14 | 2012-13 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 367.9 | 469.6 |
| Adjustments for:- | | |
| Depreciation | 1,575.5 | 1,589.1 |
| Impairment of property, plant and equipment | 20.2 | 9.8 |
| Amortisation of intangible assets | 25.7 | 22.7 |
| Impairment/(Writeback) of impairment of trade debtors | 1.1 | (8.8) |
| Writedown of inventories | 22.3 | 32.3 |
| Income from short-term investments | (1.6) | (1.7) |
| Provisions | 177.6 | 168.2 |
| Share-based compensation expense | 4.7 | 5.4 |
| Exchange differences | (8.7) | 5.2 |
| Amortisation of deferred (gain)/loss on sale and operating leaseback transactions | (12.6) | 3.3 |
| Finance charges | 37.3 | 42.7 |
| Interest income | (62.7) | (62.5) |
| Surplus on disposal of aircraft, spares and spare engines | (51.2) | (56.0) |
| Dividends from long-term investments | (19.6) | (27.3) |
| Other non-operating items | (1.9) | (11.9) |
| Share of profits of joint venture companies | (94.0) | (94.9) |
| Share of (losses)/profits of associated companies | 45.2 | (50.4) |
| Exceptional items | 38.3 | 19.9 |
| Operating profit before working capital changes | 2,063.5 | 2,054.7 |
| (Decrease)/Increase in trade and other creditors | (23.3) | 269.0 |
| Increase/(Decrease) in sales in advance of carriage | 12.0 | (22.5) |
| Decrease/(Increase) in trade debtors | 138.9 | (251.7) |
| Decrease/(Increase) in deposits and other debtors | 4.8 | (8.1) |
| Increase in prepayments | (4.3) | (4.7) |
| Decrease/(Increase) in inventories | 9.6 | (1.1) |
| Increase in deferred revenue | 40.4 | 35.5 |
| Cash generated from operations | 2,241.6 | 2,071.1 |
| Payment of cargo fines | (78.3) | (24.0) |
| Income taxes paid | (65.2) | (192.7) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 2,098.1 | 1,854.4 |

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (in \$ million)**

| | The Group | |
|--|------------------|------------------|
| | 2013-14 | 2012-13 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Capital expenditure | (2,574.6) | (1,875.4) |
| Purchase of intangible assets | (29.7) | (83.6) |
| Proceeds from disposal of aircraft and other property, plant and equipment | 808.7 | 647.7 |
| Purchase of long-term investments | (550.8) | (364.4) |
| Proceeds from disposals of short-term investments | 110.3 | 310.5 |
| Proceeds from disposal of an associated company | 459.4 | 4.6 |
| Proceeds from disposal of long-term investments | 12.6 | - |
| Dividends received from associated and joint venture companies | 171.4 | 140.2 |
| Dividends received from investments | 20.5 | 28.3 |
| Interest received from investments and deposits | 50.3 | 45.9 |
| Payment for purchase of derivatives | (20.8) | - |
| Return of capital by an associated company | 1.8 | - |
| Investments in associated companies | (281.8) | - |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(1,822.7)</u> | <u>(1,146.2)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Dividends paid | (317.8) | (188.0) |
| Dividends paid by subsidiary companies to non-controlling interests | (57.4) | (56.4) |
| Interest paid | (36.4) | (34.2) |
| Proceeds from borrowings | 16.9 | 3.5 |
| Repayment of borrowings | (0.9) | (0.2) |
| Repayment of long-term lease liabilities | (67.6) | (63.9) |
| Proceeds from exercise of share options | 43.4 | 38.3 |
| Purchase of treasury shares | (16.0) | (37.7) |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(435.8)</u> | <u>(338.6)</u> |
| NET CASH (OUTFLOW)/INFLOW | (160.4) | 369.6 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | 5,059.6 | 4,702.7 |
| Effect of exchange rate changes | (15.3) | (12.7) |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | <u>4,883.9</u> | <u>5,059.6</u> |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | | |
| Fixed deposits | 4,309.1 | 4,692.4 |
| Cash and bank | 574.8 | 367.2 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | <u>4,883.9</u> | <u>5,059.6</u> |

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 2014 (in \$ million)**

| The Group | Attributable to Owners of the Parent | | | | | | | | Non-controlling interests | Total equity |
|---|--------------------------------------|-----------------|-----------------|--------------------------------------|----------------------------------|--------------------|-----------------|----------|---------------------------|--------------|
| | Share capital | Treasury shares | Capital reserve | Foreign currency translation reserve | Share-based compensation reserve | Fair value reserve | General reserve | Total | | |
| Balance at 1 April 2013 | 1,856.1 | (269.8) | 110.3 | (191.8) | 151.7 | (27.1) | 11,475.3 | 13,104.7 | 312.6 | 13,417.3 |
| Effects of adopting revised FRS19 | - | - | - | - | - | - | (15.2) | (15.2) | - | (15.2) |
| Restated balance at 1 April 2013 | 1,856.1 | (269.8) | 110.3 | (191.8) | 151.7 | (27.1) | 11,460.1 | 13,089.5 | 312.6 | 13,402.1 |
| <u>Comprehensive Income</u> | | | | | | | | | | |
| Currency translation differences | - | - | - | 12.7 | - | - | - | 12.7 | 1.3 | 14.0 |
| Net fair value changes on available-for-sale assets | - | - | - | - | - | (71.9) | - | (71.9) | - | (71.9) |
| Net fair value changes on cash flow hedges | - | - | - | - | - | 20.8 | - | 20.8 | - | 20.8 |
| Actuarial loss on revaluation of defined benefits plan | - | - | - | - | - | - | (0.7) | (0.7) | - | (0.7) |
| Arising from the disposal of an associated company | - | - | - | 77.6 | - | 39.0 | - | 116.6 | - | 116.6 |
| Surplus on dilution of interest in an associated company due to share options exercised | - | - | - | - | - | - | 0.6 | 0.6 | - | 0.6 |
| Share of other comprehensive income of associated and joint venture companies | - | - | 13.1 | - | (0.1) | (1.2) | - | 11.8 | - | 11.8 |
| Other comprehensive income for the financial year | - | - | 13.1 | 90.3 | (0.1) | (13.3) | (0.1) | 89.9 | 1.3 | 91.2 |
| Profit for the financial year | - | - | - | - | - | - | 359.5 | 359.5 | 64.9 | 424.4 |
| Total comprehensive income for the period, net of tax | - | - | 13.1 | 90.3 | (0.1) | (13.3) | 359.4 | 449.4 | 66.2 | 515.6 |
| <u>Transactions with owners recorded directly in equity</u> | | | | | | | | | | |
| Surplus on dilution of interest in subsidiary companies due to share options exercised | - | - | - | - | (7.1) | - | 21.3 | 14.2 | 16.0 | 30.2 |
| Share-based compensation expense | - | - | - | - | 4.7 | - | - | 4.7 | - | 4.7 |
| Share options and share awards lapsed | - | - | - | - | (4.0) | - | 4.0 | - | - | - |
| Purchase of treasury shares | - | (16.0) | - | - | - | - | - | (16.0) | - | (16.0) |
| Treasury shares reissued pursuant to equity compensation plans | - | 23.6 | 0.3 | - | (10.7) | - | - | 13.2 | - | 13.2 |
| Dividends | - | - | - | - | - | - | (317.8) | (317.8) | (57.4) | (375.2) |
| Total transactions with owners | - | 7.6 | 0.3 | - | (17.1) | - | (292.5) | (301.7) | (41.4) | (343.1) |
| Balance at 31 March 2014 | 1,856.1 | (262.2) | 123.7 | (101.5) | 134.5 | (40.4) | 11,527.0 | 13,237.2 | 337.4 | 13,574.6 |

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (in \$ million)**

| The Group | Attributable to Owners of the Parent | | | | | | | | Non-controlling interests | Total equity |
|---|--------------------------------------|-----------------|-----------------|--------------------------------------|----------------------------------|--------------------|-----------------|----------|---------------------------|--------------|
| | Share capital | Treasury shares | Capital reserve | Foreign currency translation reserve | Share-based compensation reserve | Fair value reserve | General reserve | Total | | |
| Balance at 1 April 2012 | 1,856.1 | (258.4) | 99.1 | (186.3) | 165.9 | (47.6) | 11,264.6 | 12,893.4 | 294.0 | 13,187.4 |
| Effects of adopting revised FRS 19 | - | - | - | - | - | - | (10.8) | (10.8) | - | (10.8) |
| Restated balance at 1 April 2012 | 1,856.1 | (258.4) | 99.1 | (186.3) | 165.9 | (47.6) | 11,253.8 | 12,882.6 | 294.0 | 13,176.6 |
| <u>Comprehensive Income</u> | | | | | | | | | | |
| Currency translation differences | - | - | - | (5.5) | - | - | - | (5.5) | (1.1) | (6.6) |
| Net fair value changes on available-for-sale assets | - | - | - | - | - | 4.2 | - | 4.2 | - | 4.2 |
| Net fair value changes on cash flow hedges | - | - | - | - | - | 17.3 | - | 17.3 | - | 17.3 |
| Actuarial loss on revaluation of defined benefit plans | - | - | - | - | - | - | (4.4) | (4.4) | - | (4.4) |
| Surplus on dilution of interest in an associated company due to share options exercised | - | - | - | - | - | - | 0.1 | 0.1 | - | 0.1 |
| Share of other comprehensive income of associated and joint venture companies | - | - | 12.5 | - | - | (1.0) | - | 11.5 | 0.2 | 11.7 |
| Other comprehensive income for the financial year | - | - | 12.5 | (5.5) | - | 20.5 | (4.3) | 23.2 | (0.9) | 22.3 |
| Profit for the financial year | - | - | - | - | - | - | 378.9 | 378.9 | 62.7 | 441.6 |
| Total comprehensive income for the period, net of tax | - | - | 12.5 | (5.5) | - | 20.5 | 374.6 | 402.1 | 61.8 | 463.9 |
| <u>Transactions with owners, recorded directly in equity</u> | | | | | | | | | | |
| Surplus on dilution of interest in subsidiary companies due to share options exercised | - | - | - | - | (6.8) | - | 16.3 | 9.5 | 13.2 | 22.7 |
| Share-based compensation expense | - | - | - | - | 5.4 | - | - | 5.4 | - | 5.4 |
| Share options and share awards lapsed | - | - | - | - | (3.4) | - | 3.4 | - | - | - |
| Purchase of treasury shares | - | (37.7) | - | - | - | - | - | (37.7) | - | (37.7) |
| Treasury shares reissued pursuant to equity compensation plans | - | 26.3 | (1.3) | - | (9.4) | - | - | 15.6 | - | 15.6 |
| Dividends | - | - | - | - | - | - | (188.0) | (188.0) | (56.4) | (244.4) |
| Total transactions with owners | - | (11.4) | (1.3) | - | (14.2) | - | (168.3) | (195.2) | (43.2) | (238.4) |
| Balance at 31 March 2013 | 1,856.1 | (269.8) | 110.3 | (191.8) | 151.7 | (27.1) | 11,460.1 | 13,089.5 | 312.6 | 13,402.1 |

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (in \$ million)**

| The Company | Share capital | Treasury shares | Capital reserve | Share-based compensation reserve | Fair value reserve | General reserve | Total |
|--|---------------|-----------------|-----------------|----------------------------------|--------------------|-----------------|----------|
| Balance at 1 April 2013 | 1,856.1 | (269.8) | (9.4) | 124.5 | 2.9 | 10,254.3 | 11,958.6 |
| Effects of adopting revised FRS 19 | - | - | - | - | - | (13.1) | (13.1) |
| Restated balance at 1 April 2013 | 1,856.1 | (269.8) | (9.4) | 124.5 | 2.9 | 10,241.2 | 11,945.5 |
| <u>Comprehensive income</u> | | | | | | | |
| Net fair value changes on available-for-sale assets | - | - | - | - | (70.8) | - | (70.8) |
| Net fair value changes on cash flow hedges | - | - | - | - | 16.4 | - | 16.4 |
| Actuarial loss on revaluation of defined benefits plans | - | - | - | - | - | (0.6) | (0.6) |
| Other comprehensive income for the financial year | - | - | - | - | (54.4) | (0.6) | (55.0) |
| Profit for the financial year | - | - | - | - | - | 538.5 | 538.5 |
| Total comprehensive income for the year, net of tax | - | - | - | - | (54.4) | 537.9 | 483.5 |
| <u>Transactions with owners, recorded directly in equity</u> | | | | | | | |
| Share-based compensation expense | - | - | - | 3.7 | - | - | 3.7 |
| Share options and share awards lapsed | - | - | - | (3.9) | - | 3.9 | - |
| Purchase of treasury shares | - | (16.0) | - | - | - | - | (16.0) |
| Treasury shares reissued pursuant to equity compensation plans | - | 23.6 | 0.3 | (10.7) | - | - | 13.2 |
| Dividends | - | - | - | - | - | (317.8) | (317.8) |
| Total transactions with owners | - | 7.6 | 0.3 | (10.9) | - | (313.9) | (316.9) |
| Balance at 31 March 2014 | 1,856.1 | (262.2) | (9.1) | 113.6 | (51.5) | 10,465.2 | 12,112.1 |

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (in \$ million)**

| The Company | Share capital | Treasury shares | Capital reserve | Share-based compensation reserve | Fair value reserve | General reserve | Total |
|--|---------------|-----------------|-----------------|----------------------------------|--------------------|-----------------|----------|
| Balance at 1 April 2012 | 1,856.1 | (258.4) | (8.1) | 133.7 | (9.8) | 11,133.4 | 12,846.9 |
| Effects of adopting revised FRS 19 | - | - | - | - | - | (9.5) | (9.5) |
| Restated balance at 1 April 2012 | 1,856.1 | (258.4) | (8.1) | 133.7 | (9.8) | 11,123.9 | 12,837.4 |
| <u>Comprehensive income</u> | | | | | | | |
| Net fair value changes on available-for-sale assets | - | - | - | - | 2.2 | - | 2.2 |
| Net fair value changes on cash flow hedges | - | - | - | - | 10.5 | - | 10.5 |
| Actuarial loss on revaluation of defined benefits plans | - | - | - | - | - | (3.6) | (3.6) |
| Other comprehensive income for the financial year | - | - | - | - | 12.7 | (3.6) | 9.1 |
| Loss for the financial year ^{R1} | - | - | - | - | - | (694.1) | (694.1) |
| Total comprehensive income for the year, net of tax | - | - | - | - | 12.7 | (697.7) | (685.0) |
| <u>Transactions with owners, recorded directly in equity</u> | | | | | | | |
| Share-based compensation expense | - | - | - | 3.2 | - | - | 3.2 |
| Share options and share awards lapsed | - | - | - | (3.0) | - | 3.0 | - |
| Purchase of treasury shares | - | (37.7) | - | - | - | - | (37.7) |
| Treasury shares reissued pursuant to equity compensation plans | - | 26.3 | (1.3) | (9.4) | - | - | 15.6 |
| Dividends | - | - | - | - | - | (188.0) | (188.0) |
| Total transactions with owners | - | (11.4) | (1.3) | (9.2) | - | (185.0) | (206.9) |
| Balance at 31 March 2013 | 1,856.1 | (269.8) | (9.4) | 124.5 | 2.9 | 10,241.2 | 11,945.5 |

^{R1} The Company incurred a loss for financial year FY1213 mainly due to an impairment loss of \$1,168.6 million in its investment in Virgin Atlantic Limited to write down its carrying value to a recoverable value of USD360.0 million (\$447.0 million). The impairment loss was only recognised at the Company level as the investment in VAL was fully written down at the Group level.

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 did not issue any shares upon exercise of options pursuant to share options exercised under the Employee Share Option Plan.

| The Group and the Company | Number of Shares | Share Capital (\$ million) |
|---|------------------|----------------------------|
| Issued and fully paid share capital | | |
| <u>Ordinary Shares</u> | | |
| Balance at 1 April 2013 | 1,199,851,018 | 1,856.1 |
| Share options exercised during the financial year | - | - |
| Balance at 31 March 2014 | 1,199,851,018 | 1,856.1 |

As at 31 March 2014, the number of ordinary shares in issue was 1,199,851,018 of which 23,784,800 were held by the Company as treasury shares. The share capital was \$1,856.1 million. (31 March 2013: 1,199,851,018 ordinary shares of which 24,355,389 were held as treasury shares.)

Employee Share Option Plan

As at 31 March 2014, the number of share options of the Company outstanding was 30,809,844 (31 March 2013: 33,731,970). During the financial year, 1,658,991 options 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 01.04.2013 | Cancelled | Exercised | Balance at 31.03.2014 | Exercise price* | Expiry date |
|---------------|-----------------------|-------------|-------------|-----------------------|-----------------|-------------|
| 01.07.2003 | 1,020,451 | (388,521) | (631,930) | - | \$7.33 | 30.06.2013 |
| 01.07.2004 | 2,236,649 | (13,490) | (542,754) | 1,680,405 | \$7.69 | 30.06.2014 |
| 01.07.2005 | 4,262,933 | (47,163) | (244,361) | 3,971,409 | \$8.27 | 30.06.2015 |
| 03.07.2006 | 6,013,464 | (87,655) | (239,946) | 5,685,863 | \$9.59 | 02.07.2016 |
| 02.07.2007 | 10,536,030 | (386,541) | - | 10,149,489 | \$15.71 | 01.07.2017 |
| 01.07.2008 | 9,662,443 | (339,765) | - | 9,322,678 | \$12.32 | 30.06.2018 |
| | 33,731,970 | (1,263,135) | (1,658,991) | 30,809,844 | | |

* 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 said Committee approved another reduction of \$0.80 in the exercise prices of the share options outstanding on 18 August 2011, following approval by the Company's shareholders of the declaration of a special dividend of \$0.80 per share on 29 July 2011. 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 2014, the number of outstanding shares granted under the Company's RSP and PSP were 1,327,116 (31 March 2013: 1,460,384) and 537,639 respectively (31 March 2013: 491,329).

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

| Date of Grant | Number of Restricted Shares | | | | | Balance at 31.03.2014 |
|---------------|-----------------------------|---------|-------------------------|-----------|-----------|-----------------------|
| | Balance at 01.04.2013 | Granted | Adjustment [#] | Cancelled | Vested | |
| RSP | | | | | | |
| 29.07.2009 | 105,132 | - | - | - | (105,132) | - |
| 22.07.2010 | 219,390 | - | - | (4,312) | (109,722) | 105,356 |
| 01.07.2011 | 555,539 | - | (489,509) | (1,070) | (33,375) | 31,585 |
| 10.07.2012 | 580,323 | - | - | (24,900) | - | 555,423 |
| 15.07.2013 | - | 654,252 | - | (19,500) | - | 634,752 |
| | 1,460,384 | 654,252 | (489,509) | (49,782) | (248,229) | 1,327,116 |

[#] Adjustment at the end of two-year performance period upon meeting stated performance targets and adjustments for number of days in service for retirees.

| Date of Grant | Number of Performance Shares | | | | | Balance at 31.03.2014 |
|---------------|------------------------------|---------|-------------------------|-----------|----------|-----------------------|
| | Balance at 01.04.2013 | Granted | Adjustment [#] | Cancelled | Vested | |
| PSP | | | | | | |
| 22.07.2010 | 156,117 | - | (139,287) | - | (16,830) | - |
| 01.07.2011 | 153,999 | - | - | (8,473) | - | 145,526 |
| 10.07.2012 | 181,213 | - | - | (12,000) | - | 169,213 |
| 15.07.2013 | - | 234,900 | - | (12,000) | - | 222,900 |
| | 491,329 | 234,900 | (139,287) | (32,473) | (16,830) | 537,639 |

[#] Adjustment at the end of three-year performance period upon meeting stated performance targets and adjustment for number of days in service for retirees.

In addition, the Board Compensation & Industrial Relations Committee approved a special time-based RSP in FY2010-11. The details of the shares awarded under the special time-based RSP are as follows:

| Date of Grant | Number of Time-based restricted shares | | | Balance at 31.03.2014 |
|---------------|--|-----------|-----------|-----------------------|
| | Balance at 01.04.2013 | Cancelled | Vested | |
| RSP | | | | |
| 07.05.2010 | 439,551 | (18,535) | (206,539) | 214,477 |

Deferred Share Award ("DSA")

In September 2013, a one-off grant of Deferred Share Award of fully paid ordinary shares was granted to senior management. At the end of a 3-year vesting period, an additional final award will be vested equal to the Base Award multiplied by the accumulated dividend yield. The details of the Deferred Share Award are as follows:

| Date of Grant | Number of Deferred Share Award | | | Balance at 31.03.2014 |
|--------------------------|--------------------------------|---------|-----------|-----------------------|
| | Balance at 01.04.2013 | Granted | Cancelled | |
| DSA 04.09.2013 | - | 161,800 | (10,980) | 150,820 |

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 2014, the number of ordinary shares in issue was 1,199,851,018 of which 23,784,800 were held by the Company as treasury shares (31 March 2013: 1,199,851,018 ordinary shares of which 24,355,389 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 purchased 1,560,000 treasury shares (2012-13: 3,655,000).

The Company transferred 1,658,991 treasury shares to employees on exercise of share options and another 471,598 treasury shares on vesting of share-based incentive plans (2012-13: 1,712,015 on exercise of share options and 667,090 on vesting of share-based incentive plans). Treasury shares are presented as a component within equity attributable to owners of the parent.

| The Group and the Company | Number of Shares | Treasury Shares (\$ million) |
|---|------------------|------------------------------|
| Balance at 1 April 2013 | 24,355,389 | (269.8) |
| Purchase of treasury shares | 1,560,000 | (16.0) |
| Treasury shares transferred on exercise of share options | (1,658,991) | 18.4 |
| Treasury shares transferred on vesting of share-based incentive plans | (471,598) | 5.2 |
| Balance at 31 March 2014 | 23,784,800 | (262.2) |

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

The financial statements 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 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 2013 has no significant impact on the Group.

The Group has also early adopted the following FRS in the preparation of the FY2013/14 financial statements compared with the FY2012/13 financial statements:

- Revised FRS 27 Separate Financial Statements
- Revised FRS 28 Investments in Associates and Joint Ventures
- FRS 110 Consolidated Financial Statements
- FRS 111 Joint Arrangements
- FRS 112 Disclosure of Interests in Other Entities

The early adoption of the above standards did not have any effect on the profit for the year or financial position of the Group and the Company.

During the year, the Company revised the estimated useful lives of certain of its overhaul assets to better reflect the economic useful life with effect from 1 April 2013. The effect of this change is a reduction in depreciation expense of approximately \$33.8 million for the financial year ended 31 March 2014.

The Company introduced the Pay with Miles option to the KrisFlyer programme. Based on the expected higher utilisation, the Company made a downward revision to the estimated breakage rate. The impact on the revision in estimate is a decrease of \$64.0 million in revenue.

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 | | | |
|----------------------------|------------------------------------|------------------------------------|---------|---------|
| | 4 th Quarter 2013-14 | 4 th Quarter 2012-13 | 2013-14 | 2012-13 |
| Earnings per share (cents) | | | | |
| - Basic | 2.3 | 5.8 | 30.6 | 32.2 |
| - Diluted | 2.3 | 5.7 | 30.3 | 31.9 |

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 14 | As at 31 Mar 13 | As at 31 Mar 14 | As at 31 Mar 13 |
| Net asset value per ordinary share (\$) | 11.26 | 11.14 | 10.30 | 10.16 |

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

Financial Year 2013-14

The Group earned an operating profit of \$259 million in the 2013-14 financial year, an increase of \$30 million (+13.1%) over last year.

Group revenue increased \$146 million (+1.0%) to \$15,244 million, mainly due to higher passenger revenue (+\$275 million) including recognition of a settlement pertaining to changes in aircraft delivery slots, partially offset by a decline in cargo revenue. Passenger revenue improved over last year on the back of growth in passenger carriage, albeit at lower yields due to promotional activities amid intense competition and the weakening of major revenue generating currencies. The net reduction in Group revenue arising from exchange rate movements was \$101 million.

Group expenditure rose largely in line with revenue, by \$116 million (+0.8%). Higher non-fuel variable costs were partially mitigated by lower net fuel cost, as average jet fuel prices decreased 5.2% year-on-year.

Despite recording a higher operating profit, Group profit attributable to owners of the Parent fell \$20 million (-5.3%) to \$359 million. This was mainly due to exceptional items (-\$38 million loss) [see Note 1(a)(iii)] and weaker share of results from associated companies (down \$96 million), partially offset by recognition of tax credits. The weaker share of results from associated companies arose primarily from losses of Tiger Airways Holdings Limited, of which the Group's share was \$118 million for the year, an increase of \$109 million.

The operating results of the main companies in the Group for the financial year are as follows:

| <u>Operating Profit/(Loss)</u> | <u>FY2013-14</u> | <u>FY2012-13</u> |
|--------------------------------|-------------------|-------------------|
| | <u>\$ million</u> | <u>\$ million</u> |
| Parent Airline Company | 256 | 187 |
| SIA Engineering | 116 | 128 |
| SilkAir | 35 | 97 |
| SIA Cargo | (100) | (167) |

The Parent Airline Company's operating performance improved \$69 million (+36.9%) as a \$93 million increase in revenue outpaced a \$24 million increase in expenditure.

SIA Engineering's operating profit was lower as the increase in expenditure outpaced revenue growth. The increase in expenditure was mainly from higher staff costs, subcontract and material costs.

SilkAir's operating profit was \$62 million lower as passenger carriage growth did not keep pace with the capacity injection intended to develop new markets in the region.

SIA Cargo's operating loss narrowed by \$67 million, on the back of ongoing efforts to better match capacity with demand.

Fourth Quarter 2013-14

Group operating loss for the fourth quarter widened by \$17 million as revenue fell 1.1% (-\$39 million), on account of lower passenger and cargo carriage, and weaker yields. Both the Parent Airline Company and SIA Cargo reported operating losses for the quarter.

Including non-operating items from the sale of aircraft and spare engines, share of results of joint venture and associated companies, exceptional items and tax credits, the Group posted a profit attributable to owners of the Parent of \$27 million for the fourth quarter.

BALANCE SHEET REVIEW **(March 2014 vs March 2013)**

Equity attributable to owners of the parent increased by \$148 million or 1.1% to \$13,237 million as at 31 March 2014 largely due to profits for April 2013 – March 2014 (+\$359 million) and realisation of reserves from disposal of VAL (+\$117 million). This was partially reduced by the payment of FY2012-13 final dividend of 17 cents per share (-\$200 million) and the payment of FY2013-14 interim dividend of 10 cents per share (-\$118 million).

Total Group assets were up \$215 million or 1.0% to \$22,643 million. The increase arose mainly from higher long-term investments (+\$418 million) and investment in associated companies (+\$175 million), partially offset by a decrease in cash and bank balances (-\$176 million) and other receivables (-\$122 million). The increase in long-term investments and investment in associated companies was driven by purchase of additional shares and participation in the fund raising exercises for Virgin Australia and Tiger Airways respectively. These were largely funded by cashflow from operations and other cash resources.

Total Group liabilities increased marginally by \$42 million or 0.5% to \$9,068 million as at 31 March 2014. The increase is driven by higher provisions on leased aircraft (+\$166 million) with more aircraft leases, higher deferred account (+\$80 million), partly offset by lower deferred tax (-\$159 million) and borrowings (-\$49 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 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 operating environment for the Group continues to be challenging with intense competition in many areas, and economic uncertainty in key markets.

Passenger bookings in the current quarter are expected to match the planned increase in capacity. However, yields are expected to remain under pressure due to promotional activities undertaken to support loads, and other airlines offering aggressive fares while increasing capacity.

Cargo yield is expected to remain weak as the air cargo industry continues to face challenges from overcapacity.

Fuel prices are expected to remain at elevated levels, which presents a continuing challenge to the Group's earnings.

Against this backdrop, the Group will maintain discipline in cost management and proactively make adjustments to capacity deployment to match market demand. The Group is well positioned with its strong balance sheet to meet the challenges, and will continue to pursue various strategic initiatives, as announced.

SUBSEQUENT EVENTS

On 8 April 2014, the Company issued \$200 million in aggregate principal amount of 3.145% notes due 2021 and \$300 million in aggregate principal amount of 3.750% notes due 2024 under the \$2 billion multicurrency medium term note programme. The notes will mature on 8 April 2021 and 8 April 2024 respectively.

On 8 May 2014, the Company agreed to subscribe to 400 million shares of Scoot Pte. Ltd. at a price of \$1 per share, to support Scoot's investment in its new fleet of 787 aircraft. The subscription date is expected to be before 30 June 2014.

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 | 10 cents per ordinary share | 11 cents per ordinary share | 25 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 | 6 cents per ordinary share | 17 cents per ordinary share |
| Tax Rate | Tax-exempt (one-tier) | Tax-exempt (one-tier) |

(c) Date payable

The final and special dividends, if so approved by the shareholders, will be paid on 14 August 2014.

(d) Books closure date

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the final and special dividends being obtained at the Forty-Second Annual General Meeting to be held on 30 July 2014, the Transfer Books and the Register of Members of the Company will be closed on 6 August 2014 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, 112 Robinson Road, #05-01 Singapore 068902 up to 5.00 p.m. on 5 August 2014 will be registered to determine shareholders' entitlements to the final and special dividends. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 5 August 2014 will be entitled to the final and special dividends.

The final and special dividends, if so approved by shareholders, will be paid on 14 August 2014.

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 | | Engineering services | | Cargo Operations | | Others | | Total of segments | | Elimination* | | Consolidated | |
|--|--------------------|-----------------|----------------------|----------------|------------------|----------------|---------------|--------------|-------------------|-----------------|------------------|------------------|-----------------|-----------------|
| | 13-14 | 12-13 | 13-14 | 12-13 | 13-14 | 12-13 | 13-14 | 12-13 | 13-14 | 12-13 | 13-14 | 12-13 | 13-14 | 12-13 |
| TOTAL REVENUE | | | | | | | | | | | | | | |
| External revenue | 12,444.7 | 12,169.3 | 508.5 | 470.9 | 2,248.3 | 2,415.3 | 42.4 | 42.7 | 15,243.9 | 15,098.2 | - | - | 15,243.9 | 15,098.2 |
| Inter-segment revenue | 1,215.6 | 1,243.3 | 669.7 | 675.8 | 5.4 | 4.3 | 75.4 | 83.8 | 1,966.1 | 2,007.2 | (1,966.1) | (2,007.2) | - | - |
| | 13,660.3 | 13,412.6 | 1,178.2 | 1,146.7 | 2,253.7 | 2,419.6 | 117.8 | 126.5 | 17,210.0 | 17,105.4 | (1,966.1) | (2,007.2) | 15,243.9 | 15,098.2 |
| RESULTS | | | | | | | | | | | | | | |
| Segment result | 225.9 | 262.0 | 115.6 | 128.1 | (100.4) | (167.0) | 14.2 | 4.6 | 255.3 | 227.7 | 4.0 | 1.5 | 259.3 | 229.2 |
| Finance charges | (32.8) | (35.2) | (0.2) | (0.1) | (5.9) | (9.4) | - | - | (38.9) | (44.7) | 1.6 | 2.0 | (37.3) | (42.7) |
| Interest income | 62.4 | 62.2 | 1.5 | 1.4 | 0.6 | 0.8 | 0.1 | 0.2 | 64.6 | 64.6 | (1.9) | (2.1) | 62.7 | 62.5 |
| Surplus/(Loss) on disposal of aircraft, spares and spare engines | 51.8 | 56.3 | - | - | 1.0 | - | (1.6) | (0.3) | 51.2 | 56.0 | - | - | 51.2 | 56.0 |
| Dividends from long-term investments | 5.8 | 10.3 | 13.8 | 17.0 | - | - | - | - | 19.6 | 27.3 | - | - | 19.6 | 27.3 |
| Other non-operating items | 13.2 | (5.8) | 0.7 | 0.5 | (4.6) | (5.4) | - | 8.3 | 9.3 | (2.4) | (7.4) | 14.3 | 1.9 | 11.9 |
| Share of profits of joint venture companies | - | - | 94.0 | 94.9 | - | - | - | - | 94.0 | 94.9 | - | - | 94.0 | 94.9 |
| Share of (losses)/profits of associated companies | (114.0) | (5.2) | 68.6 | 55.2 | 0.2 | 0.4 | - | - | (45.2) | 50.4 | - | - | (45.2) | 50.4 |
| Exceptional items | 371.5 | - | - | - | (380.4) | (19.9) | (29.4) | - | (38.3) | (19.9) | - | - | (38.3) | (19.9) |
| Taxation | 10.2 | (29.1) | (23.0) | (22.8) | 70.6 | 26.2 | (1.3) | (2.3) | 56.5 | (28.0) | - | - | 56.5 | (28.0) |
| Profit/(Loss) for the financial year | 594.0 | 315.5 | 271.0 | 274.2 | (418.9) | (174.3) | (18.0) | 10.5 | 428.1 | 425.9 | (3.7) | 15.7 | 424.4 | 441.6 |
| Attributable to: | | | | | | | | | | | | | | |
| Owners of the Parent | | | | | | | | | | | | | 359.5 | 378.9 |
| Non-controlling interests | | | | | | | | | | | | | <u>64.9</u> | <u>62.7</u> |
| | | | | | | | | | | | | | <u>424.4</u> | <u>441.6</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 | 2013-14 | 2012-13 |
|---|-----------------|-----------------|
| East Asia | 5,060.2 | 4,962.9 |
| Europe | 1,428.5 | 1,352.9 |
| South West Pacific | 1,458.5 | 1,628.9 |
| Americas | 718.6 | 760.1 |
| West Asia and Africa | 397.2 | 436.5 |
| Systemwide | 9,063.0 | 9,141.3 |
| Non-scheduled services and incidental revenue | 4,597.3 | 4,271.3 |
| Total | 13,660.3 | 13,412.6 |

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 | 2013-14 | 2012-13 | % Change |
|--|---------|---------|----------|
| <u>First Half</u> | | | |
| Revenue reported for the first half-year | 7,740.9 | 7,571.0 | 2.2 |
| Profit after tax reported for the first half-year | 316.1 | 199.5 | 58.4 |
| <u>Second Half</u> | | | |
| Revenue reported for the second half-year | 7,503.0 | 7,527.2 | (0.3) |
| Profit after tax reported for the second half-year | 108.3 | 242.1 | (55.3) |

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) | 2013-14 | 2012-13 |
|-------------------------------|--------------|--------------|
| Ordinary Dividend | | |
| - Interim | 117.7 | 70.5 |
| - Final [#] | 129.4 | 200.1 |
| Special Dividend [#] | 294.0 | - |
| Total | 541.1 | 270.6 |

[#] 2013-14 Final ordinary dividend and special dividend are 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 2013-14 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) |
|---|---|---|
| | (S\$) | (S\$) |
| CapitaLand Limited Group - Guangzhou Hai Yi Property Development Co. Ltd | - | 139,077 |
| PT Bank Danamon Indonesia TBK | - | 554,914 |
| SATS Ltd Group - Aero Laundry & Linen Services Private Limited - Air India SATS Airport Services Private Limited - Asia Airfreight Terminal Co Ltd - Beijing Airport Inflight Kitchen Ltd - Beijing Aviation Ground Services Co Ltd - Maldives Inflight Catering Private Limited - PT Jasa Angkasa Semesta Tbk - SATS HK Limited - SATS Ltd - SATS Security Services Private Limited - Taj Madras Flight Kitchen Pvt Limited - Taj SATS Air Catering Ltd | - - - - - - - - - - - - - | 11,688,415 7,692,020 8,055,873 5,237,161 6,893,614 3,189,714 13,071,006 3,648,440 668,944,356 20,992,682 628,050 4,484,335 |
| Singapore Telecommunications Limited Group - NCS Pte Ltd - Optus Networks Pty Ltd - Singapore Telecommunications Limited - Trusted Hub Limited | - - - - | 216,098 465,260 2,187,527 336,975 |
| SembCorp Industries Limited Group - SembCorp Power Pte Ltd | - | 4,064,463 |
| Singapore Technologies Engineering Limited Group - Miltope Corporation - ST Aerospace Supplies Pte Ltd | - - | 347,038 11,760,176 |
| Temasek Holdings (Private) Limited and Associates - MediaCorp Pte Ltd - Certis Cisco Security Technology Pte Ltd - Dahlia Investments Pte Ltd and Aranda Investments Pte Ltd* | - - 49,034,009 | 984,990 277,420 - |
| Tiger Airways Holdings Limited Group - Tiger Airways Singapore Pte Ltd** - Tiger Airways Holdings Ltd*** | 1,574,571 227,887,997 | 158,418 - |
| Total Interested Person Transactions | 278,496,577 | 776,018,022 |

* Share purchase agreement with Dahlia Investments Pte Ltd and Aranda Investments Pte Ltd (subsidiaries of Temasek Holdings (Private) Limited) to acquire 72,334,350 ordinary shares of Tiger Airways Holdings Ltd ("TAH").

** Sector rate agreement between Scoot Pte Ltd and Tiger Airways Singapore Pte Ltd ("Tiger") which applies to tickets issued by Scoot for transportation on Tiger-operated flights, and by Tiger for transportation on Scoot-operated flights. Transaction ceased to be reported with effect from Quarter 3 of FY13/14 following the completion of the purchase of TAH ordinary shares from Temasek Holdings (Private) Limited's (Temasek) subsidiaries, Dahlia Investments Pte Ltd and Aranda Investments Pte Ltd. The acquisition of the shares resulted in Temasek's interest in TAH being held solely through the Company. Henceforth transactions between SIA Group and TAH's subsidiaries and associated companies are no longer required to be reported.

*** Subscription of 189,390,367 TAH Convertible Securities at \$1.07 for each convertible security pursuant to the TAH Preferential Offering; and subscription of 53,702,775 TAH Rights Shares at \$0.47 per share pursuant to SIA's pro-rata entitlement to TAH Rights Issue.

18 Report of persons occupying managerial positions who are related to a director, chief executive officer or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, Singapore Airlines Limited ("the Company") confirms that, to the best of our knowledge to date, there is no person occupying a managerial position in the Company, or in any of its principal subsidiaries, who is a relative of a Director or the Chief Executive Officer or a Substantial Shareholder of the Company.

By Order of the Board

Ethel Tan (Mrs)
Company Secretary
8 May 2014

Singapore Company Registration No.: 197200078R

INDEPENDENT AUDITOR'S REPORT

To the members of Singapore Airlines Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Airlines Limited (the "Company") and its subsidiaries (the "Group") set out on pages 12 to 107, which comprise the statements of financial position of the Group and the Company as at 31 March 2014, 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 information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards, and for 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 accounts and balance sheets and to maintain accountability of assets.

Auditor's 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 about 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 judgment, 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 of the financial statements that give a true and fair view 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, 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 2014 and of 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.

Report on Other Legal and Regulatory Requirements

In our opinion, 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

ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants
Singapore

Dated this 8th day of May 2014
Singapore