

**NEWS RELEASE ON FINANCIAL RESULTS FOR THE
THREE MONTHS ENDED 31 DECEMBER 2003**

CONTINUED RECOVERY IN THIRD FINANCIAL QUARTER

MAIN POINTS OF THE GROUP'S RESULTS

	Oct-Dec 03 \$ million	Oct-Dec 02 % Change	Jul-Sep 03 % Change
Operating profit	473	+ 173.8	+ 50.3
Profit before tax	507	+ 101.7	+ 29.3
Profit attributable to shareholders	378	+ 109.9	+ 23.6
Earnings per share (cents)	31.0	+ 109.9	+ 23.6
Shareholders' funds	10,984	+ 3.5	+ 3.5

GROUP EARNINGS

October-December 2003

The Group continued its recovery in the third quarter of the financial year ending March 2004.

Revenue grew nearly 2% (+\$50 million) compared to October-December 2002, despite a reduction in passenger capacity of 5.4% for the parent airline. At the same time, expenditure was about 10% lower (-\$251 million) as a result of reduced capacity and control of costs. Exchange rate movements contributed about \$70 million to the operating profit of the Company.

Note: The SIA Group's unaudited financial results for the third quarter ended 31 December 2003 were announced on 5 February 2004. A summary of the financial and operating statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Company refers to the parent airline unit, the Group comprises the Company and its subsidiary, joint venture and associated companies).

The Group operating profit of \$473 million was an improvement of 174% on the corresponding quarter last year. The better performance was mainly due to cost reductions and a weak third quarter last year following the Bali bombing incident in October 2002. Profit before tax was \$507 million (+101.7%) and profit after tax, \$392 million (+105.1%).

Profit attributable to shareholders increased by \$198 million to \$378 million, more than double the amount last year.

Year-to-date (April-December 2003)

The Group returned to the black with an operating profit of \$411 million for the 9 months ended 31 December 2003.

Cumulative profit before tax was \$507 million, down \$401 million (-44.1%) from last year.

The third quarter's results eliminated the loss attributable to shareholders of \$7 million in the first six months of the current financial year. The cumulative profit attributable to shareholders after nine months stands at \$371 million, which is 61% below that in the corresponding period of the preceding year.

GROUP FINANCIAL POSITION (as at 31 December 2003)

Shareholders' funds of the Group stood at \$10,984 million, 2.6% higher (+\$276 million) than at 31 March 2003.

Net asset value per share for the Group was \$9.02, an increase of \$0.23 or 2.6% compared to 31 March 2003.

The Group's total assets increased \$720 million (+3.8%) to \$19,904 million.

Net debt of the Group was \$580 million, down \$139 million from \$719 million as at 31 March 2003. The ratio of Net Debt to Equity was 0.05 times, compared to 0.07 times.

SIA OPERATING PERFORMANCE

Passenger traffic for October-December 2003 was only 1.2% (in terms of revenue passenger kilometers) lower than last year despite a capacity reduction of 5.4% because of strong year-end holiday traffic. As a result, passenger load factor improved 3.3 percentage points to 76.2%.

Capacity operated as at December 2003, in terms of available seat kilometers, was around 96% of the capacity offered a year ago before the outbreak of SARS.

During the quarter, services to Auckland, Mumbai and Hanoi were increased. Flights to Jeddah, suspended in May 2003, were reinstated with a thrice-weekly direct service.

Capacity was added to selected cities in Australia, New Zealand, India, Europe and South East and North Asia, to meet the seasonal high demand at the end of each year.

SIA's operating fleet, as at 31 December 2003, comprised 81 passenger aircraft – 30 B747-400s and 51 B777s (29 B777-200s, 8 B777-300s and 14 B777-200ERs).

SUBSEQUENT EVENTS

SIA sold two CFM56 engines on 6 January 2004 and 9 January 2004 respectively, and traded-in one B747-400 aircraft to Boeing on 20 January 2004.

SIA FLEET AND ROUTE DEVELOPMENT

The Company took delivery of its first three A340-500 aircraft in January 2004.

On 16 January 2004, SIA commenced a new three-times-weekly B777-200 service to Shenzhen.

SIA made aviation history with the launch of the daily A340-500 Singapore-Los Angeles service on 3 February 2004 – the 14,000-kilometer journey becoming the world's longest commercial non-stop flight.

A new thrice-weekly B772 service to Nanjing will be launched on 28 March 2004.

OUTLOOK

Barring further deterioration of the bird flu outbreak, acts of terror or unforeseen events, passenger traffic in the next six months should be better than for the same period in 2003 when SARS adversely affected the travel industry.

The competitive landscape of the airline industry continues to evolve with new entrants challenging mainline carriers for market share in the region. Greater competition for regional traffic and downward pressure on yields are expected. It is therefore imperative for costs to be kept under control.

Indicators point towards an improving US economy in 2004. The flow of goods and services between China and US is expected to remain strong. This augurs well for Asia-USA cargo business where cargo capacity has increased steadily. Cargo loads and yields are expected to improve further.

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FINANCIAL STATISTICS

	3rd Qtr 2003-04	3rd Qtr 2002-03	9 Months 2003-04	9 Months 2002-03
GROUP (\$ million)				
Total revenue	2,764.4	2,714.8	6,935.9	7,943.7
Total expenditure	2,291.2	2,542.0	6,525.2	7,261.1
Operating profit	473.2	172.8	410.7	682.6
Non-operating items	24.2	78.4	128.6	224.5
Exceptional surplus/(expenditure)	9.2	-	(32.2)	0.5
Profit before taxation	506.6	251.2	507.1	907.6
Profit attributable to shareholders	377.9	180.0	371.4	953.5
Earnings before tax per share (cents)	41.6	20.6	41.6	74.5
Earnings per share (cents) - basic	31.0	14.8	30.5	78.3
- diluted ^{R1}	31.0	14.8	30.5	78.3
	As at 31 Dec 2003	As at 30 Sep 2003	As at 31 Mar 2003	As at 31 Dec 2002
Share capital	609.1	609.1	609.1	609.1
Distributable reserve	9,829.5	9,459.1	9,580.4	9,479.7
Non-distributable reserve:				
Share premium	447.2	447.2	447.2	447.2
Capital redemption reserve	64.4	64.4	64.4	64.4
Capital reserve	34.2	34.2	7.7	7.7
Shareholders' funds	10,984.4	10,614.0	10,708.8	10,608.1
Net asset value per share (\$)	9.02	8.71	8.79	8.71
Total assets	19,904.3	19,412.7	19,184.0	19,029.5
Net debt	579.6	1,109.9	718.8	476.2
Net debt equity ratio (times)	0.05	0.10	0.07	0.04
	3rd Qtr 2003-04	3rd Qtr 2002-03	9 Months 2003-04	9 Months 2002-03
COMPANY (\$ million)				
Total revenue	2,058.7	2,043.0	5,030.1	6,079.8
Total expenditure	1,792.2	2,031.5	5,031.8	5,812.6
Operating profit/(loss)	266.5	11.5	(1.7)	267.2
Profit before tax	315.8	117.6	151.7	501.9
Profit after tax	241.7	75.2	107.4	587.6

^{R1} Based on weighted average number of shares in issue after adjusting for dilution of shares due to the Employee Share Option Plan.

OPERATING STATISTICS

	3rd Qtr 2003-04	3rd Qtr 2002-03	9 Months 2003-04	9 Months 2002-03
SIA Passenger Company				
Passengers carried (thousand)	3,875	3,879	9,453	11,654
Revenue passenger-km (million)	18,349.4	18,571.4	46,003.9	56,370.1
Available seat-km (million)	24,087.7	25,463.4	63,675.7	74,659.4
Passenger load factor (%)	76.2	72.9	72.2	75.5
Passenger yield (cents/pkm)	9.5	9.2	9.0	9.1
Passenger unit cost (cents/ask)	6.2	6.7	6.6	6.7
Passenger breakeven load factor (%)	65.3	72.8	73.3	73.6
SIA Cargo Company				
Cargo and mail carried (million kg)	277.5	270.4	789.6	788.8
Cargo load (million tonne-km)	1,751.2	1,782.6	5,067.6	5,222.1
Mail load (million tonne-km)	17.7	22.7	43.6	60.1
Gross capacity (million tonne-km)	2,673.6	2,535.6	7,626.0	7,486.1
Cargo load factor (%)	66.2	71.2	67.0	70.6
Cargo yield (cents/ltk)	37.8	36.0	36.1	34.0
Cargo unit cost (cents/ctk)	22.5	24.4	22.8	23.7
Cargo breakeven load factor (%)	59.5	67.8	63.2	69.7
SIA Passenger and SIA Cargo Company				
Overall load (million tonne-km)	3,547.6	3,592.6	9,577.9	10,709.3
Overall capacity (million tonne-km)	5,053.2	5,053.3	13,916.2	14,871.0
Overall load factor (%)	70.2	71.1	68.8	72.0
Overall yield (cents/ltk)	68.0	65.4	62.9	64.6
Overall unit cost (cents/ctk)	41.4	45.8	42.5	45.0
Overall breakeven load factor (%)	60.9	70.0	67.6	69.7

GLOSSARY

SIA Passenger Company

Revenue passenger-km	= Number of passengers carried x distance flown (in km)
Available seat-km	= Number of available seats x distance flown (in km)
Passenger load factor	= Revenue passenger-km expressed as a percentage of available seat-km
Passenger yield	= Operating passenger revenue from scheduled services divided by passenger-km flown
Passenger unit cost	= Operating expenditure less bellyhold revenue from SIA Cargo divided by available seat-km
Passenger breakeven load factor	= Passenger unit cost expressed as a percentage of passenger yield. This is the theoretical load factor at which operating passenger revenue equates to the operating expenditure (less bellyhold revenue from SIA Cargo)

SIA Cargo Company

Cargo load	= Cargo load carried (in tonnes) x distance flown (in km)
Mail load	= Mail load carried (in tonnes) x distance flown (in km)
Gross capacity	= Cargo capacity production (in tonnes) x distance flown (in km)
Cargo load factor	= Cargo and mail load tonne-km expressed as a percentage of cargo capacity tonne-km
Cargo yield	= Cargo and mail revenue from scheduled services divided by load tonne-km flown
Cargo unit cost	= Operating expenditure divided by capacity tonne-km
Cargo breakeven load factor	= Cargo unit cost expressed as a percentage of cargo yield. This is the theoretical load factor at which cargo and mail revenue equates to the operating expenditure

SIA Passenger and SIA Cargo Company

Overall load	= Total load carried (in tonnes) x distance flown (in km)
Overall capacity	= Total capacity production (in tonnes) x distance flown (in km)
Overall load factor	= Overall load tonne-km expressed as a percentage of overall capacity tonne-km