



## AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2005

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 2005 (in \$ million)

	The Group		The Group	
	4th Quarter 2004-05	4th Quarter 2003-04	2004-05	2003-04
<b>REVENUE</b>	3,032.2	2,826.0	12,012.9	9,761.9
<b>EXPENDITURE</b>				
Staff costs	624.5	631.7	2,418.1	1,969.5
Fuel costs	702.3	511.5	2,692.9	1,811.1
Depreciation	292.4	296.0	1,208.6	1,180.2
Provision for impairment of fixed assets	--	6.8	--	28.0
Aircraft maintenance and overhaul costs	133.8	160.6	597.9	610.7
Commission and incentives	105.8	164.4	445.2	590.3
Landing, parking and overflying charges	156.4	151.8	629.8	515.9
Handling charges	139.4	142.7	570.3	492.6
Rentals on leased aircraft	79.7	82.3	335.0	353.3
Material costs	63.2	73.0	293.1	247.7
Inflight meals	58.7	60.5	245.5	198.1
Advertising and sales costs	74.5	58.8	257.8	191.0
Insurance expenses	32.0	19.5	130.1	133.5
Company accommodation and utilities	40.5	38.0	157.9	150.8
Other passenger costs	30.0	34.3	118.0	105.6
Crew expenses	27.2	25.2	108.2	90.1
Other operating expenses	178.4	99.2	449.0	413.1
	<u>2,738.8</u>	<u>2,556.3</u>	<u>10,657.4</u>	<u>9,081.5</u>
<b>OPERATING PROFIT</b>	293.4	269.7	1,355.5	680.4
Finance charges	(22.9)	(16.3)	(77.5)	(65.1)
Interest income	19.1	7.2	52.7	32.5
Surplus on disposal of aircraft, spares and spare engines	15.3	28.9	215.2	102.7
Surplus on disposal of other fixed assets	2.5	2.8	8.7	5.5
Dividends from long-term investments, gross	2.4	--	8.0	3.6
Provision for diminution in value of long-term investments	0.5	(0.2)	(0.1)	(1.8)
Amortization of goodwill on consolidation	--	(0.1)	(0.1)	(0.1)
Amortization of deferred gain	0.3	0.4	1.3	1.6
Share of profits of joint venture companies	5.6	(3.4)	12.5	6.4
Share of profits of associated companies	86.4	23.7	203.7	86.3
<b>PROFIT BEFORE EXCEPTIONAL ITEMS</b>	<u>402.6</u>	<u>312.7</u>	<u>1,779.9</u>	<u>852.0</u>
Exceptional items	32.6	1.1	49.5	(31.1)
<b>PROFIT BEFORE TAXATION</b>	<u>435.2</u>	<u>313.8</u>	<u>1,829.4</u>	<u>820.9</u>
<b>TAXATION</b>				
Taxation expense	(123.0)	(27.8)	(387.3)	(130.3)
Adjustment for reduction in Singapore statutory tax rate	--	204.7	--	204.7
	<u>(123.0)</u>	<u>176.9</u>	<u>(387.3)</u>	<u>74.4</u>
<b>PROFIT AFTER TAXATION</b>	<u>312.2</u>	<u>490.7</u>	<u>1,442.1</u>	<u>895.3</u>
Minority interests	(14.4)	(12.8)	(52.8)	(46.0)
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<u>297.8</u>	<u>477.9</u>	<u>1,389.3</u>	<u>849.3</u>

**Notes:**

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

	The Group		The Group	
	4th Quarter 2004-05	4th Quarter 2003-04	2004-05	2003-04
Interest income from short-term investments	(0.2)	--	(0.7)	(0.4)
Dividend income from short-term investments	(0.2)	(0.1)	(0.7)	(0.5)
Interest income	(19.1)	(7.2)	(52.7)	(32.5)
Interest on borrowings	22.9	16.3	77.5	65.1
Amortisation of deferred gain on sale and leaseback transactions	(27.7)	(32.5)	(120.6)	(131.8)
Surplus on disposal of short-term investments	(0.6)	(1.3)	(1.2)	(2.6)
(Writeback of)/provision for doubtful debts	(0.9)	(5.0)	2.2	(16.3)
Bad debts written off	0.1	0.1	2.1	1.2
Write-off/(writeback of) for stock obsolescence	0.1	(0.1)	0.1	--
Provision for/(writeback of) diminution in value of short-term investments	0.2	(0.1)	0.3	(2.2)
Exchange loss, net	53.0	25.0	74.2	41.6
Adjustment for under/(over) provision of tax in respect of prior years	2.4	(14.7)	2.4	(26.5)

**(ii) The exceptional items were in respect of the following:**

	The Group		The Group	
	4th Quarter 2004-05	4th Quarter 2003-04	2004-05	2003-04
Staff compensation and restructuring of operations	--	--	37.8	41.4
Surplus on sale of investment in Air New Zealand Limited	--	--	(45.7)	--
Surplus on sale of investment in Raffles Holdings Ltd	(32.6)	--	(32.6)	--
Surplus on sale of investment in Taikoo (Xiamen) Aircraft Engineering Company Limited	--	--	(9.0)	--
Surplus on liquidation of Abacus Distribution Systems Pte Ltd	--	--	--	(9.2)
Surplus on disposal of Aviation Software Development Consultancy India Limited	--	(1.1)	--	(1.1)
	(32.6)	(1.1)	(49.5)	31.1

1(b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**BALANCE SHEET AS AT 31 MARCH 2005 (in \$ million)**

	The Group		The Company	
	31 Mar 2005	31 Mar 2004	31 Mar 2005	31 Mar 2004
<b>SHARE CAPITAL</b>				
Authorized	3,000.0	3,000.0	3,000.0	3,000.0
Issued and fully paid	609.1	609.1	609.1	609.1
<b>RESERVES</b>				
Distributable				
General reserve	11,263.7	10,282.6	10,687.7	9,805.0
Foreign currency translation reserve	8.8	19.8	--	--
Non-distributable				
Share premium	448.2	447.2	448.2	447.2
Capital redemption reserve	64.4	64.4	64.4	64.4
Capital reserve	41.9	32.0	--	--
	11,827.0	10,846.0	11,200.3	10,316.6
<b>SHARE CAPITAL AND RESERVES</b>	12,436.1	11,455.1	11,809.4	10,925.7
<b>MINORITY INTERESTS</b>	303.9	304.1	--	--
<b>DEFERRED ACCOUNT</b>	414.6	446.7	356.8	391.2
<b>DEFERRED TAXATION</b>	2,450.1	2,175.3	1,952.2	1,742.1
<b>LONG-TERM LIABILITIES</b>	2,333.3	2,207.2	1,449.5	1,457.0
	17,938.0	16,588.4	15,567.9	14,516.0
Represented by:-				
<b>FIXED ASSETS</b>				
Aircraft, spares and spare engines	12,292.0	12,122.6	9,484.8	9,316.9
Land and buildings	993.1	1,017.9	316.1	338.9
Others	2,019.4	2,082.4	1,407.2	1,479.9
	15,304.5	15,222.9	11,208.1	11,135.7
<b>GOODWILL ON CONSOLIDATION</b>	1.3	1.4	--	--
<b>SUBSIDIARY COMPANIES</b>	--	--	1,935.8	1,936.5
<b>ASSOCIATED COMPANIES</b>	790.0	517.5	1,716.1	1,722.7
<b>JOINT VENTURE COMPANIES</b>	323.6	309.2	151.0	140.3
<b>LONG-TERM INVESTMENTS</b>	476.3	475.2	409.2	402.4
<b>CURRENT ASSETS</b>				
Section 44 tax prepayments	221.4	239.8	221.4	239.8
Stocks	442.5	403.4	368.8	356.7
Trade debtors	1,344.7	1,171.5	859.4	757.3
Amounts owing by associated companies -- net	15.8	0.4	12.5	--
Investments	79.3	130.2	--	--
Cash and bank balances	2,840.2	1,518.5	2,509.1	1,090.6
	4,943.9	3,463.8	3,971.2	2,444.4
Less:- <b>CURRENT LIABILITIES</b>				
Sales in advance of carriage	1,031.2	999.0	1,003.2	936.8
Deferred revenue	237.9	206.4	237.9	206.4
Current tax payable	156.2	181.7	72.0	105.0
Trade creditors	2,380.4	1,921.1	1,763.8	1,309.6
Amounts owing to subsidiary companies -- net	--	--	722.3	686.8
Finance lease commitments-repayable within one year	44.1	41.5	--	--
Loans-repayable within one year	25.6	24.8	--	--
Bank overdrafts	26.2	27.1	24.3	21.4
	3,901.6	3,401.6	3,823.5	3,266.0
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>	1,042.3	62.2	147.7	(821.6)
	17,938.0	16,588.4	15,567.9	14,516.0

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 2005		As at 31 March 2004	
Secured	Unsecured	Secured	Unsecured
\$69.0M	\$26.9M	\$67.1M	\$26.3M

Amount repayable after one year

As at 31 March 2005		As at 31 March 2004	
Secured	Unsecured	Secured	Unsecured
\$1,231.7M	\$1,101.6M	\$1,306.9M	\$900.3M

Details of any collateral

\$161.8 million of the secured borrowings are secured by a first priority mortgage over 1 B747-400 freighter, of which \$23.9 million is repayable within one year. In addition, the UOB loan (\$2.9 million) and overdraft (\$0.8 million) obtained by SATS Group is secured by First Legal Mortgage on the building at 22 Senoko Way Singapore 758095. The remaining secured borrowings pertained to finance leases of aircraft (\$1,135.2 million).

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005 (in \$ million)**

	The Group	
	2004-05	2003-04
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>2,786.6</u>	<u>1,760.5</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(2,095.2)	(2,258.3)
Proceeds from disposal of aircraft and other fixed assets	1,081.2	1,513.7
Return of capital from associated companies	3.3	--
Return of capital from joint venture companies	--	0.9
Return of capital from long-term investments	13.9	--
Investments in associated companies	(184.1)	(24.6)
Investments in joint venture companies	(10.7)	(21.5)
Disposal of subsidiary company, net of cash disposed	--	(1.4)
Additional long-term investments	(285.7)	--
Additional long-term loans	(1.4)	(1.4)
Repayment of loans by associated companies	0.7	5.5
Repayment of loans	4.1	6.4
Proceeds from sale of long-term investments	349.9	76.8
Dividends received from associated and joint venture companies	55.7	60.5
Dividends received from investments	8.4	3.8
Interest received from investments and deposits	50.0	32.7
Interest received from loans to associated companies	--	0.1
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(1,009.9)</u>	<u>(606.8)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(426.4)	(109.6)
Dividends paid by subsidiary companies to minority interests	(91.8)	(14.4)
Interest paid	(67.8)	(62.1)
Proceeds from borrowings	202.5	2.8
Repayment of borrowings	(24.4)	(224.7)
Repayment of long-term lease liabilities	(46.1)	(20.3)
Proceeds from exercise of share options	59.3	15.3
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(394.7)</u>	<u>(413.0)</u>
<b>NET CASH INFLOW</b>	1,382.0	740.7
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	1,491.4	789.3
Effect of exchange rate changes	(59.4)	(38.6)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<u>2,814.0</u>	<u>1,491.4</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Fixed deposits	2,231.9	1,137.1
Cash and bank	608.3	381.4
Bank overdrafts	(26.2)	(27.1)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<u>2,814.0</u>	<u>1,491.4</u>

**CASH FLOW FROM OPERATING ACTIVITIES (in \$ million)**

	The Group	
	2004-05	2003-04
Profit before taxation	1,829.4	820.9
Adjustments for:-		
Depreciation of fixed assets	1,208.6	1,180.2
Provision for impairment of fixed assets	--	28.0
Income from short-term investments	(1.4)	(0.9)
Exchange differences	56.3	2.0
Write-down of loan to associated companies	--	0.5
Amortization of deferred gain on sale and leaseback transactions	(120.6)	(131.8)
Finance charges	77.5	65.1
Interest income	(52.7)	(32.5)
Surplus on disposal of aircraft, spares and spare engines	(215.2)	(102.7)
Surplus on disposal of other fixed assets	(8.7)	(5.5)
Dividends from long-term investments	(8.0)	(3.6)
Provision for diminution in value of long-term investments	0.1	1.8
Amortization of goodwill on consolidation	0.1	0.1
Amortization of deferred gain	(1.3)	(1.6)
Share of profits of joint venture companies	(12.5)	(6.4)
Share of profits of associated companies	(203.7)	(86.3)
Surplus on sale of investment in Air New Zealand Limited	(45.7)	--
Surplus on sale of investment in Raffles Holdings Ltd	(32.6)	--
Surplus on sale of investment in Taikoo (Xiamen) Aircraft Engineering Company Limited	(9.0)	--
Surplus on liquidation of Abacus Distribution Systems Pte Ltd	--	(9.2)
Surplus on disposal of Aviation Software Development Consultancy India Limited	--	(1.1)
Operating profit before working capital changes	2,460.6	1,717.0
Increase in creditors	487.8	9.9
Decrease in short term investments	50.9	18.1
Increase in sales in advance of carriage	32.2	149.4
Increase in debtors	(167.9)	(104.6)
(Increase)/decrease in stocks	(39.1)	19.3
Increase in deferred revenue	31.5	1.1
(Increase)/decrease in amounts owing by associated and joint venture companies	(2.7)	1.1
Cash generated from operations	2,853.3	1,811.3
Income taxes paid	(66.7)	(50.8)
Net cash provided by operating activities	2,786.6	1,760.5

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 2005 (in \$ million)**

The Group	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	General reserve	Total
Balance at 31 March 2004	609.1	447.2	64.4	32.0	19.8	10,282.6	11,455.1
Currency translation differences	--	--	--	--	(11.0)	--	(11.0)
Share options exercised	*	1.0	--	--	--	--	1.0
Share of a joint venture company's capital reserve	--	--	--	0.7	--	--	0.7
Share of an associated company's capital reserve	--	--	--	9.2	--	--	9.2
Gain on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	18.2	18.2
Net gains and losses not recognized in the profit and loss account	*	1.0	--	9.9	(11.0)	18.2	18.1
Profit attributable to shareholders for the financial year	--	--	--	--	--	1,389.3	1,389.3
Dividends	--	--	--	--	--	(426.4)	(426.4)
Balance at 31 March 2005	609.1	448.2	64.4	41.9	8.8	11,263.7	12,436.1

\* During the year, 85,324 ordinary shares of \$0.50 par value were issued at exercise price of \$10.34 each and 9,700 ordinary shares of \$0.50 par value were issued at exercise price of \$11.96 each, pursuant to the Employee Share Option Plan. Share capital and share premium increased by \$47,512 and \$950,750 respectively.

The Group	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	General reserve	Total
Balance at 31 March 2003	609.1	447.2	64.4	7.7	41.3	9,539.1	10,708.8
Currency translation differences	--	--	--	--	(21.5)	--	(21.5)
Share of a joint venture company's capital reserve	--	--	--	1.4	--	--	1.4
Share of an associated company's capital reserve	--	--	--	22.9	--	--	22.9
Gain on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	3.8	3.8
Net gains and losses not recognized in the profit and loss account	--	--	--	24.3	(21.5)	3.8	6.6
Profit attributable to shareholders for the financial year	--	--	--	--	--	849.3	849.3
Dividends	--	--	--	--	--	(109.6)	(109.6)
Balance at 31 March 2004	609.1	447.2	64.4	32.0	19.8	10,282.6	11,455.1



The Company	Share capital	Share premium	Capital redemption reserve	General reserve	Total
Balance at 31 March 2004	609.1	447.2	64.4	9,805.0	10,925.7
Share options exercised	*	1.0	--	--	1.0
Net gains and losses not recognized in the profit and loss account	*	1.0	--	--	1.0
Profit attributable to shareholders for the financial year	--	--	--	1,309.1	1,309.1
Dividends	--	--	--	(426.4)	(426.4)
Balance at 31 March 2005	<u>609.1</u>	<u>448.2</u>	<u>64.4</u>	<u>10,687.7</u>	<u>11,809.4</u>
Balance at 31 March 2003	609.1	447.2	64.4	9,485.3	10,606.0
Profit attributable to shareholders for the financial year	--	--	--	429.3	429.3
Dividends	--	--	--	(109.6)	(109.6)
Balance at 31 March 2004	<u>609.1</u>	<u>447.2</u>	<u>64.4</u>	<u>9,805.0</u>	<u>10,925.7</u>

\* During the year, 85,324 ordinary shares of \$0.50 par value were issued at exercise price of \$10.34 each and 9,700 ordinary shares of \$0.50 par value were issued at exercise price of \$11.96 each, pursuant to the Employee Share Option Plan. Share capital and share premium increased by \$47,512 and \$950,750 respectively.

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 OPTIONS ON SHARES IN THE COMPANY

(i) As at 31 March 2004, the number of share option of the company outstanding was 63,471,827.

(ii) During the period April 2004 to March 2005, 95,024 shares were exercised under the SIA Company Limited Employee Share Option Plan, which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees.

(ii) The movement of share options of the Company during the financial year 2004-05 is as follows:

Date of grant	Balance at 01.04.2004	Granted during 01.04.2004 to 31.03.2005	Cancelled during 01.04.2004 to 31.03.2005	Exercised during 01.04.2004 to 31.03.2005	Balance at 31.03.2005	Exercise price	Expiry date
28.03.2000	12,842,210	-	(318,200)	-	12,524,010	\$15.34	27.03.2010
03.07.2000	11,640,470	-	(266,250)	-	11,374,220	\$16.65	02.07.2010
02.07.2001	12,890,585	-	(352,585)	(9,700)	12,528,300	\$11.96	01.07.2011
01.07.2002	13,356,527	-	(397,195)	-	12,959,332	\$12.82	30.06.2012
01.07.2003	12,742,035	-	(358,893)	(85,324)	12,297,818	\$10.34	30.06.2013
01.07.2004	-	12,879,325	(224,390)	-	12,654,935	\$10.70	30.06.2014
	63,471,827	12,879,325	(1,917,513)	(95,024)	74,338,615		

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 carrying values of consumable aircraft spares have been reclassified from fixed assets to stocks to better reflect their utilization pattern. This does not result in any material financial effect that requires adjustment. The carrying values of these spares as at 31 March 2004 have been reclassified from fixed assets to stocks to conform to current financial year's presentation.

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.

See above.

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 2004-05	4th Quarter 2003-04	2004-05	2003-04
Earnings per share (cents)				
- Basic	24.4	39.2	114.0	69.7
- Diluted	24.4	39.2	113.9	69.7

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	As at 31 Mar 05	As at 31 Mar 04	As at 31 Mar 05	As at 31 Mar 04
Net asset value per ordinary share (\$)	10.21	9.40	9.69	8.97

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 EARNINGS

The Group achieved a record operating profit of \$1,356 million for the year ended 31 March 2005. It nearly doubled the profits earned in 2003-04, in spite of challenges caused by high fuel prices and a proliferation of new airline entrants in the local market.

Revenue for the Group, at \$12,013 million, was the highest ever – up \$2,251 million (+23.1%) from last year. Effective control of costs saw expenditure in the same period rise by only 17.3% to \$10,657 million.

Net profit attributable to shareholders improved by \$540 million to \$1,389 million. A strong operating performance, higher contributions from the sale of aircraft and share of profits of associated companies contributed to earnings. For perspective, 2003-04 net profit attributable to shareholders was boosted by a tax write back of \$205 million as a result of a reduction in the Singapore company tax rate. No such write back occurred in 2004-05.

Operating performance was better because of a strong rebound in demand (up 20% in revenue passenger kilometre terms) following a reduction in travel the previous year when SARS broke out. Passenger yield improved 9.8% while unit cost rose only 4.5% for the same period.

Singapore Airlines Chief Executive Officer, Mr Chew Choon Seng, said the result was especially satisfying after a year in which the Group faced many challenges. "Everyone across the Group has worked very hard throughout the year to deliver this outstanding result. I want to thank them for making it a record year.

"There are more challenges ahead, and we cannot be complacent," Mr Chew said.

As a result of this fine performance, the Board has proposed a final dividend of 30 cents per share (tax exempt one-tier), to be paid on 15 August 2005, on top of the interim dividend of 10 cents per share (tax-exempt one-tier) paid on 25 November 2004. This brings the total dividend for the financial year to 40 cents per share. It is 15 cents (+60%) per share more than the dividend paid last year.

Two external factors impacted on the results this year: fuel prices and foreign exchange movements.

Fuel costs – the largest cost component – accounted for over one quarter of Group expenditure (25.3%), up from just under a fifth last year (19.9%). Effective fuel hedging by the Group reduced the impact of higher fuel prices by \$380 million, from \$969 million to \$589 million.

Exchange rate movements contributed \$112 million to the Group's operating profit, largely due to the strength of major revenue generating currencies, particularly the British Pound, Euro, Japanese Yen and Australian Dollar, coupled with cost savings from US Dollar-denominated expenditure as a result of a weaker US Dollar.

The Company generated an operating profit of \$723 million (+382%), or 53.3% (+31.2 percentage points) of the operating profit of the SIA Group. Contributions by the three major subsidiary companies are as follows:

- Singapore Airlines Cargo (SIA Cargo): 19.4% (-10.3 percentage points)
- Singapore Airport Terminal Services (SATS) Group: 14.8% (-13.2 percentage points) and
- SIA Engineering Company (SIAEC): 7.8% (-3.8 percentage points).

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

Actual results are in line with the previous statement.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

## **SUBSEQUENT EVENTS**

On 6 May 2005, Singapore Airlines added a B777-300 to its operating fleet, bringing the B777 fleet size to 58 and making Singapore Airlines the world's largest operator of the B777 aircraft.

On 22 April 2005, as a result of the rising cost of jet fuel, Singapore Airlines and SilkAir announced increases to the fuel surcharge on passenger tickets from May onwards. The price of jet fuel has risen steadily to over US\$70 per barrel in April 2005 from US\$58 per barrel in November 2004, when the previous surcharge was set. Singapore Airlines and SilkAir will continue to monitor the price of fuel and will review the application of the surcharge if there is a sustained movement in the jet fuel price.

SIA Engineering Company Limited signed two joint venture agreements in April 2005. A joint venture with Cebu Pacific Air, known as Aviation Partnership (Philippines) Corporation, will offer line maintenance services at 14 airports in the Philippines. The other joint venture, to be named Aerospace Component Engineering Services Pte Ltd (ACE Services) is with Parker Hannifin Corporation's Parker Aerospace Group. ACE Services will be incorporated in Singapore and will provide maintenance, repair, and overhaul (MRO) services of hydro-mechanical equipment for aircraft such as the Boeing 747-400 and 777, and the Airbus A320, A330 and A340. SIAEC will hold a 51% stake in both joint ventures.

## **OUTLOOK FOR FINANCIAL YEAR 2005-06**

The outlook for air travel remains encouraging. However, competition will intensify further as new regional entrants expand their operations, and established carriers leverage increasing liberalisation to tap Asia-Pacific markets. Pressure on loads and yields will remain.

The high fuel-cost environment will persist for the foreseeable future. Consequently, the benefits of hedging will reduce because the hedge program is being implemented at higher spot prices.

Further increases in oil prices may temper economic growth in some major economies. However, high economic growth in China and India will drive business activity in Asia and between these key economies and their major trading partners.

Singapore Airlines will increase capacity to markets where growth is evident. A third daily frequency to Beijing will commence in June 2005, and the current Shenzhen service will become a daily frequency by the end of the year.

Capacity was added to Mumbai, Chennai, Kolkata, Melbourne, Perth, Brisbane, Christchurch, Fukuoka, Ho Chi Minh City, Hanoi and Penang from the start of the financial year.

Singapore Airlines will continue efforts to stimulate traffic to return to tsunami-affected areas in the Indian Ocean. Many affected areas rely heavily on tourism to support their economic development. Singapore Airlines will work with trade partners and National Tourism Organisations to promote those destinations and assist in their long-term recovery plans. Signs of recovery to some of the affected regions are encouraging.

Singapore Airlines will also look to explore further opportunities for co-operation on tourism promotion with national and state tourism organisations. More plans are being developed for strategic partnerships to leverage capacity increases effectively.

The air cargo industry is expected to achieve moderate growth. SIA Cargo will take delivery of two Boeing 747-400 Freighters; one in September and another in December. This will increase their operating fleet to 16 aircraft of that type. This will enable more frequencies to be added to Europe (Brussels, Copenhagen and Amsterdam) and to the USA (Chicago via New Delhi and New York via Chennai). With the introduction of an additional destination (Johannesburg), SIA Cargo's freighter network will expand to cover 36 cities in 21 countries by 31 March 2006.

## 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	10.0 cents per ordinary share	30.0 cents per ordinary share
Par Value of Shares	S\$0.50	S\$0.50
Tax Rate	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	Final
Dividend Type	Cash
Dividend Amount per Share	25.0 cents per ordinary share
Par Value of Shares	S\$0.50
Tax Rate	Tax-exempt (one-tier)

### (c) Date payable

The final dividend, if so approved by shareholders, will be paid on 15 August 2005.

### (d) Books closure date

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the final dividend being obtained at the Thirty-Third Annual General Meeting to be held on 28 July 2005, the Transfer Books and the Register of Members of the Company will be closed on 4 August 2005 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 p.m. on 3 August 2005 will be registered to determine shareholders' entitlements to the final dividend. Subject as aforesaid, shareholders whose Securities Account with The Central Depository (Pte) Limited ("CDP") are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 3 August 2005 will be entitled to the final dividend.

The said final dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to such shareholders in accordance with its practice.

The final dividend, if so approved by shareholders, will be paid on 15 August 2005.

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

Not applicable.



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

**SEGMENT INFORMATION BY BUSINESS SEGMENTS (in \$ million)**

	Airline Operations		Airport terminal services		Engineering services		Others		Total of segments		Elimination*		Consolidated	
	04-05	03-04	04-05	03-04	04-05	03-04	04-05	03-04	04-05	03-04	04-05	03-04	04-05	03-04
<b>TOTAL REVENUE</b>														
External revenue	11,341.7	9,171.0	397.2	355.5	195.8	145.9	78.2	89.5	12,012.9	9,761.9	-	-	12,012.9	9,761.9
Inter-segment revenue	55.5	57.8	578.5	513.2	611.7	532.8	178.4	176.7	1,424.1	1,280.5	(1,424.1)	(1,280.5)	-	-
	<u>11,397.2</u>	<u>9,228.8</u>	<u>975.7</u>	<u>868.7</u>	<u>807.5</u>	<u>678.7</u>	<u>256.6</u>	<u>266.2</u>	<u>13,437.0</u>	<u>11,042.4</u>	<u>(1,424.1)</u>	<u>(1,280.5)</u>	<u>12,012.9</u>	<u>9,761.9</u>
<b>RESULTS</b>														
Segment result	1,055.8	406.3	200.2	190.8	105.5	78.9	18.2	18.2	1,379.7	694.2	(24.2)	(13.8)	1,355.5	680.4
Finance charges	(77.5)	(62.4)	(3.9)	(6.1)	-	-	-	-	(81.4)	(68.5)	3.9	3.4	(77.5)	(65.1)
Interest income	48.9	27.0	3.3	5.1	3.8	3.1	0.7	0.7	56.7	35.9	(4.0)	(3.4)	52.7	32.5
Surplus on disposal of aircraft, spares and spare engines	215.2	102.7	-	-	-	-	-	-	215.2	102.7	-	-	215.2	102.7
Surplus/(loss) on disposal of other fixed assets	8.1	4.8	0.2	(0.1)	0.4	0.8	-	-	8.7	5.5	-	-	8.7	5.5
Dividends from subsidiary and associated companies, gross	637.0	119.2	-	-	-	-	-	-	637.0	119.2	(637.0)	(119.2)	-	-
Dividend from long-term investments, gross	2.8	2.7	0.6	0.7	4.8	0.4	-	-	8.2	3.8	(0.2)	(0.2)	8.0	3.6
Provision for diminution in value of long-term investments	(0.1)	(8.6)	-	-	-	-	-	-	(0.1)	(8.6)	-	6.8	(0.1)	(1.8)
Amortization of goodwill on consolidation	-	-	(0.1)	(0.1)	-	-	-	-	(0.1)	(0.1)	-	-	(0.1)	(0.1)
Amortization of deferred gain	-	-	1.3	1.6	-	-	-	-	1.3	1.6	-	-	1.3	1.6
Share of profits of joint venture companies	4.5	3.5	-	-	8.0	2.9	-	-	12.5	6.4	-	-	12.5	6.4
Share of profits of associated companies	85.7	6.6	50.5	33.7	67.5	46.0	-	-	203.7	86.3	-	-	203.7	86.3
Exceptional items	69.3	(15.3)	(28.8)	(8.0)	9.0	(3.2)	-	(1.3)	49.5	(27.8)	-	(3.3)	49.5	(31.1)
Taxation	(389.5)	75.5	(49.2)	(28.0)	(23.6)	11.1	(4.8)	(2.9)	(467.1)	55.7	79.8	18.7	(387.3)	74.4
Profit after taxation	<u>1,660.2</u>	<u>662.0</u>	<u>174.1</u>	<u>189.6</u>	<u>175.4</u>	<u>140.0</u>	<u>14.1</u>	<u>14.7</u>	<u>2,023.8</u>	<u>1,006.3</u>	<u>(581.7)</u>	<u>(111.0)</u>	<u>1,442.1</u>	<u>895.3</u>
Minority interests													(52.8)	(46.0)
Profit attributable to shareholders													<u>1,389.3</u>	<u>849.3</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	2004-05	2003-04
East Asia	5,217.8	4,452.5
Europe	1,894.6	1,708.6
South West Pacific	1,439.3	1,096.9
Americas	919.2	649.4
West Asia and Africa	833.3	667.7
Systemwide	10,304.2	8,575.1
Non-scheduled services and incidental revenue	1,093.0	653.7
Total	<u>11,397.2</u>	<u>9,228.8</u>

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

Please refer to note 8.

15 A breakdown of sales.

The Group (in \$ million)	2004-05	2003-04	%	Change
Revenue reported for the first half-year	5,578.8	4,171.5	+	33.7
Profit after tax before deducting minority interests reported for the first half-year	640.6	12.8		n.m.
Revenue reported for the second half-year	6,434.1	5,590.4	+	15.1
Profit after tax before deducting minority interests reported for the second half-year	801.5	882.5	-	9.2

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

(\$ million)	2004-05	2003-04
Ordinary dividends	487.4	304.5
Preference dividends	-	-
Total	487.4	304.5

17 Interested Person Transactions for the Company for Financial Year 2004-05

Interested person transactions carried out during the financial year pursuant to the Shareholders' Mandate obtained under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX") by the Group are as follows:

Name of Interested Person	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)	
	FY2004-05 S(\$)	FY2003-04 S(\$)	FY2004-05 S(\$)	FY2003-04 S(\$)
Singapore Petroleum Company Ltd	-	-	319,803,046	149,220,088
Raffles Holdings Ltd Group:				
- Raffles International Ltd	-	-	293,152	113,515
- Hotel International AG	-	-	179,093	537,280
- MCH Services (Sydney) Pte Ltd	-	-	787,860	393,930
Singapore Telecommunications Ltd Group:				
-Singapore Telecommunications Ltd	-	-	188,643	-
-National Computer Systems Pte Ltd	-	-	136,448	366,380
-NCS Communications Engineering Pte Ltd	-	-	419,070	-
Singapore Post Ltd Group:				
- Singapore Post Ltd	-	-	877,467	-
- G3 Worldwide Mail (S) Pte Ltd	-	-	2,446,890	1,520,274
Keppel Corporation Ltd Group:				
- Keppel Engineering Pte Ltd	-	-	4,539,924	2,353,000
- Keppel Electric Pte Ltd	-	-	-	660,054
Keppel Telecommunications & Transportation Ltd Group:				
- Asia Airfreight Terminal Company Ltd	-	-	20,472,779	21,885,797
(Increase)/decrease in amounts owing by associated				
- ST Aerospace Supplies Pte Ltd	-	-	-	226,245
- ST Aerospace Engineering Pte Ltd	-	-	335,893	-
SembCorp Industries Ltd Group:				
- SembCorp Power Pte Ltd	-	-	-	1,778,247
- The Singapore Mint	-	-	116,948	-
SembCorp Logistics Ltd Group:				
- Singapore Technologies Logistics Pte Ltd	-	-	1,421,343	160,145
Starhub Ltd	-	-	179,076	103,716
SNP Corporation Ltd Group:				
- SNP Sprint Pte Ltd	-	-	135,133	-
The Ascott Group Ltd Group:				
- Hemliner Real Estate (Beijing) Co Ltd	-	-	101,305	-

Name of Interested Person	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)	
	FY2004-05 S(\$)	FY2003-04 S(\$)	FY2004-05 S(\$)	FY2003-04 S(\$)
Temasek Holdings Pte Ltd Group (other than the above):				
- Temasek Tower Limited	-	-	2,284,103	-
- Senoko Energy Supply Pte Ltd	-	-	3,442,358	872,318
- Trusted Hub Ltd	-	-	219,970	-
- PT Bank Internasional Indonesia	-	-	218,426	-
Total	-	-	358,598,927	180,190,989

By order of the Board

Wun Wen-na  
Company Secretary  
11 May 2005

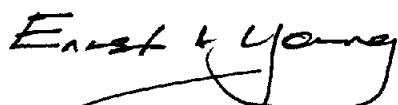
## AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE AIRLINES LIMITED

We have audited the accompanying financial statements of Singapore Airlines Limited (the "Company") and its subsidiaries (the "Group") set out on pages XX to XX for the year ended 31 March 2005. These financial statements are the responsibility of the Company's directors. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (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 2005, changes in equity of the Group and of the Company, the results and cash flows of the Group for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



ERNST & YOUNG  
Certified Public Accountants

Dated this 11<sup>th</sup> day of May 2005  
Singapore