

OUTSTANDING CEO AWARD

Chew Choon Seng
Chief Executive Officer
Singapore Airlines

BACKGROUND

Mr Chew joined Singapore Airlines in 1972 and held senior assignments in Tokyo, Rome, Sydney, Los Angeles and London, and has headed the Planning, Marketing and Finance divisions in Singapore. Before his appointment as CEO in June 2003, he was the Senior Executive Vice President for Administration covering finance, treasury, corporate planning, human resources, legal and corporate affairs.

He is the Deputy Chairman of both Singapore Airport Terminal Services Limited and the SIA Engineering Company Limited. He serves as a Director of the Singapore Exchange Limited and Government of Singapore Investment Corporation Private Limited. He is also a member of the Board of Governors of the International Air Transport Association.

Mr Chew has a Bachelor of Engineering (First Class Honours) degree from University of Singapore and a Master of Science in Operations Research and Management Studies from Imperial College of Science and Technology, University of London.

COMPANY PROFILE

From a single plane to an internationally respected brand, 61 years of innovation and service, has propelled the growth of Singapore Airlines to become one of the world's leading carriers. They began with three flights per week between Singapore, Kuala Lumpur, Ipoh and Penang, and today their route network, including Singapore Airlines Cargo and SilkAir destinations, covers 102 destinations in 42 countries, straddling five continents around the world.

The Singapore Girl is now the symbol of quality customer care and excellent service. Years ago, Singapore Airlines was the first to offer free drinks and complimentary headsets. More recently, it pioneered inflight telecommunications services and introduced Singapore Airlines KrisWorld, the first inflight entertainment service to offer audio and video on demand in all classes, allowing passenger to play, pause, fast-forward and rewind a programme at their convenience.

The Airline pioneered, and still operates, the world's longest non-stop commercial flight across the Pacific Ocean from Singapore to Los Angeles, followed by the non-stop service from Singapore to New York.

In 2006, the Airline unveiled the world's widest First Class and Business full-flat seat products, a new Economy Class seat and the new KrisWorld entertainment system which offers passengers more than 1000 different entertainment options.

Singapore Airlines made aviation history when the Airline became the first to operate the world's largest passenger aircraft in history, the A380, on the 25 October 2007. In addition, Singapore Airlines introduced its Suites - in a class beyond First, together with cabin improvements in all other classes.

Singapore Airlines is parent to a suite of airline and airline-related companies. These include the SIA Engineering Company, Singapore Airport Terminal Services, SilkAir and Singapore Airlines Cargo.

RECENT ACHIEVEMENTS

Singapore Airlines Group made an operating profit of \$675 million in the third quarter of Financial Year 2007/2008, an increase of \$227 million (+51%) from the same period of the immediately preceding financial year.

During FY2006/2007, Singapore Airlines grew its route network by launching new destinations, increasing frequencies on existing routes and expanded codeshare alliances with partner airlines. It expanded its network to Europe by adding a thrice-weekly service to Milan and Barcelona in July 2006. As part of its South African network restructuring, the Airline began a non-stop thrice weekly service between Singapore and Cape Town in February 2007. In the following month, the Airline's three weekly Singapore-Dubai-Cairo service was replaced with direct flights to Cairo three times a week. Singapore Airlines continues to operate 10 times weekly to Dubai.

Capacity was boosted on routes to key destinations to meet increasing global demand for air travel. For example, the Airline service to Male, Maldives, increased from 5 times a week to 7 times, and weekly service to Hong Kong increased from 38 times to 42 times. As at 31 March 2007, the Airline operated 764 weekly flights to 65 destinations in 35 countries. Taking into account codeshare services with Star Alliance and partner airlines, the route network grew to 144 destinations in 43 countries.

Following the conclusion of a comprehensive evaluation of proposals from Boeing and Airbus, Singapore Airlines placed orders with both manufacturers to cater for fleet renewal and growth in future years.

The Airline welcomed a new aircraft type - the Boeing 777-300ER (Extended Range) - to its fleet and placed new orders for next-generation aircraft. Nine new Boeing 777-300ER aircraft joined the operating fleet and raised the number of Boeing 777 aircraft in the Airline to 67, reaffirming its position as the world's largest operator of the Boeing 777 family.

The Airline also placed a firm order for 20 new Boeing 787-9s, (with purchase rights for another 20), for delivery between 2011 and 2013. The -9 variant of the popular B787 features a longer range and larger cabin than other models. In addition, an order was placed for 20 Airbus A350 XWB-900s, (with options for a further 20), for delivery from 2013. The Airline also increased its order for the Airbus A380 jumbo, from 10 to 19 aircraft, with options for a further six. These new orders will cater to the Airline's regional, medium and long haul growth while adhering to the Airline's policy of operating a young and modern fleet.

At list prices, the orders, excluding options, represent commitments of over US\$12 billion, and position Singapore Airlines as a leading customer for new aircraft types being developed and offered by Airbus and Boeing.

The year in review also marked a significant milestone in the Airline's history with the launch of its new generation cabin products, raising industry standards for premium air travel.

The products are featured in the new Boeing 777-300ER aircraft which, by the end of the year in review, were flying to Paris, Milan, Barcelona, Zurich, Frankfurt, San Francisco via Seoul, and Hong Kong. More routes will progressively be added in the coming years.

SOCIAL CONTRIBUTIONS

During the year in review, Singapore Airlines contributed over \$1 million in cash and free and rebated tickets to charities, educational and community development programmes.

In July 2006, as part of on-going relief efforts by the international community for the devastating South Asian earthquake in October 2005, the Airline organised two medical missions, involving teams of volunteer Singapore medical practitioners, to Pakistan. The mission provided treatment to survivors with continuing medical needs, and also to those unable to receive treatment for debilitating conditions because medical resources were diverted to other more urgent post-quake injuries.

Through the year, volunteers from the Cabin Crew Club for Community Care organised community projects aimed at improving the learning and teaching facilities in orphanages and schools in Cambodia and Bohol in the Philippines.

Singapore Airlines was once again awarded the Distinguished Patron of the Arts Award for its contributions to local arts groups, such as Singapore Symphonic Orchestra, Singapore Chinese Orchestra and Singapore Lyric Opera.

Through its overseas offices, the Airline also supported various local charities and communities through donations and community work carried out by Airline staff.

FINANCIAL PERFORMANCE

For FY 2006/2007, the Group achieved an operating profit of \$1,314 million for the financial year ended 31 March 2007. This was \$101 million (+8.3 per cent) more than the previous financial year, credited to strong performance by the Company, which turned in a record operating profit of \$1,027 million, up by \$376 million (+57.8 per cent).

Robust passenger demand produced record revenue of \$14,494 million for the Group, up \$1,153 million (+8.6 per cent) on the year before. The number of passengers carried for the full year at 18.346 million was the highest achieved in the Company's history. Underpinned by the strong growth in carriage for passenger operations, passenger yield improved 2.8 per cent.

However, Group expenditure also increased, rising \$1,052 million (+8.7 per cent) to \$13,180 million, led by higher fuel cost. Expenditure on fuel was up \$676 million (+16.0 per cent) to \$4,917 million, mainly due to increase in the price of jet fuel. Fuel accounted for 37.3 per cent of Group expenditure, up 2.3 percentage points from a year ago. Despite higher fuel prices, the Group was able to curb the rise in expenditure through collective efforts towards improved cost management, efficiency and productivity. Excluding fuel, the increase in Group expenditure was at a slower rate than revenue; higher by \$376 million (+4.8 per cent).

For the financial year, the Group posted a profit attributable to equity holders of the Company of \$2,129 million, up \$888 million (+71.6 per cent) from last year. This was driven by exceptional gains of \$421 million (sale of SIA Building and sale of investment in Singapore Aircraft Leasing Enterprise), tax write-back of \$247 million due to reduction in statutory tax rate from 20 per cent to 18 per cent and higher operating profit.

The Group's earnings per share (basic) increased 69.7 per cent to 172.6 cents, in line with the growth in profit attributable to equity holders of the Company of 71.6 per cent. Its total assets stood at \$25,992 million as at 31 March 2007, up 11.2 per cent from a year ago. Net asset value per share improved 10.1 per cent to \$12.11.

SHARE PERFORMANCE

As at 31st December 2007, SIA share closed at \$17.38, with a market cap of \$20,611 million. It ranked 8th on the local bourse as at 31st December 2007. At its peak in 2007, its shares traded at \$20.20; its 52-week low was \$15.10.

FINANCIAL SUMMARY

Million	2004	2005	2006	2007	2008 (9 months ended 31 Dec 07)
Total Revenue	9,761.9	12,012.9	13,341.1	14,494.4	11,865.3
Profit before taxation	684.1	1,791.0	1,662.1	2,284.6	1,963.0
Profit attributable to equity holders of the Company	750.0	1,352.4	1,240.7	2,128.8	1,521.9
EPS (Cents) – basic	61.6	111.0	101.7	172.6	124.1
NAV (\$)	\$9.33	\$10.13	\$11.00	\$12.11	\$12.12

As at 26 March 2008