

**SINGAPORE AIRLINES LIMITED**

(Incorporated in the Republic of Singapore)

UEN/Company Registration No: 197200078R

**CHANGE IN EQUITY INTEREST IN ASSOCIATED COMPANY -  
VIRGIN AUSTRALIA HOLDINGS LIMITED**

Pursuant to Rule 704(17)(d) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Singapore Airlines Limited ("**Singapore Airlines**" or the "**Company**") wishes to announce that following the election by the Company for the physical settlement of a series of total return equity swaps (the "**Swaps**") entered into by the Company with a counterparty in respect of shares of Virgin Australia Holdings Limited ("**VAH**"), the Company's equity interest in VAH, an associated company listed on the Australian Securities Exchange ("**ASX**"), will increase from 22.91% to 23.11%.

The total cash consideration paid by the Company for the Swaps, the physical settlement of which will result in the increase in the Company's equity interest in VAH, was AUD 3.18 million and was funded by the Company's internal sources. On physical settlement of the Swaps, based on the volume weighted average price of AUD 0.4672 per share of VAH, the Company will acquire 6,796,876 ordinary shares of VAH (the "**Relevant VAH Shares**"), representing approximately 0.20% equity interest in VAH. Settlement of the Swaps is expected to occur on or about 8 April 2016. Based on VAH's consolidated financial results for the half-year ended 31 December 2015, the net tangible asset value attributable to the Relevant VAH Shares is AUD 828,432.

The above transaction is not expected to have any material impact on the net tangible assets and consolidated earnings per share of the Singapore Airlines group for the current financial year.

None of the Directors and controlling shareholders of the Company have any interest, direct or indirect, in the above transaction, other than through their shareholdings in the Company.

BY ORDER OF THE BOARD

Brenton Wu  
Company Secretary  
6 April 2016

