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## SIA REPORTS HIGHEST EVER ANNUAL REVENUE OF \$16.3 BILLION

- Transformation initiatives deliver strong increase in Group passenger flown revenue and reduction in non-fuel unit cost
- Fuel costs higher on sharp rise in fuel prices, mitigated by hedging gains
- Final dividend of 22 cents per share

### GROUP FINANCIAL PERFORMANCE

#### Financial Year 2018/19

The SIA Group today reported a solid operating profit of \$1,067 million for the 2018/19 financial year [Note 1] amid a challenging market environment, with Transformation initiatives contributing to a record revenue performance.

Although a decline from last year's operating profit of \$1,549 million [Note 2] (\$482 million lower or -31.1%), the Group's underlying performance was strong against the backdrop of a \$1 billion increase (+25.1%) in fuel cost due largely to a 21.6% increase in fuel prices, and the absence of one-off revenue items recorded last year (-\$243 million) [Note 3].

Flown revenue growth was up \$829 million, with passenger flown revenue improving \$784 million (+6.4%), lifted by traffic growth of 8.5%, on a 6.4% increase in capacity. Notwithstanding the significant expansion in capacity, a new revenue management system and revamped pricing and sales processes helped enable RASK (measured in revenue per available seat-kilometre) to hold steady against last year. Passenger load factor rose 1.6 percentage points to 83.0%, a record for the Group. Cargo flown revenue for the year improved \$45 million (+2.1%), as cargo yield growth (+5.7%) was more than sufficient to offset lower loads carried (-3.5%) in a softening trade environment.

**Note 1:** The SIA Group's audited financial results for financial year ended 31 March 2019 were announced on 16 May 2019. A summary of the financial and operating statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Company refers to Singapore Airlines, the Parent Airline Company. The Group comprises the Company and its subsidiary, joint venture and associated companies.)

**Note 2:** As required by the Singapore Exchange listing rules, the Group has adopted International Financial Reporting Standards ("IFRS") with effect from 1 April 2018. This has resulted in a reduction in book values for aircraft and aircraft spares. Prior year comparatives have been restated as required by the transition requirements. The consequential reduction in depreciation expense for the financial year 2017/18 was \$492 million. For comparison, the IFRS impact for the financial year 2018/19 was \$426 million.

**Note 3:** Non-recurring revenue items pertained to changes in estimated breakage rates and member benefits for the KrisFlyer programme (\$178 million), and compensation for changes in aircraft delivery slots (\$65 million).

Expenditure for the Group rose \$999 million (+7.0%) to \$15.3 billion, with higher net fuel cost (+\$688 million or 17.6%) contributing two thirds of the increase. Fuel cost before hedging for the Group rose by \$1,002 million, predominantly due to a US\$16 per barrel (+21.6%) increase in average jet fuel price. The higher fuel price was partially alleviated by a larger hedging gain compared with last year (+\$314 million).

Group non-fuel expenditure rose \$311 million, driven by airline operations. Non-fuel costs of the airline businesses rose \$327 million (+3.4%), contained within the overall rate of expansion of the airline operations (+4.1%). Cost savings were achieved from numerous initiatives under the Transformation programme. Consequently, non-fuel unit costs declined 0.8%.

Group net profit for the financial year was \$683 million, \$619 million or 47.5% lower year-on-year. The reduction was primarily due to the lower operating profit (-\$482 million), in addition to higher non-operating costs. Net finance charges increased \$45 million, as the Group raised more borrowings during the year for aircraft purchases. The Group had also recognised its share of losses (\$116 million) arising from Virgin Australia's non-cash accounting adjustments in prior quarters. There was also a \$60 million charge in relation to SilkAir's re-fleeting costs for its transition from an Airbus to Boeing fleet, and restructuring costs incurred in preparation for the carrier's integration into SIA.

A summary of the effects of one-off items and SilkAir-related costs in the current and prior financial year on the Group's net profit is as follows:

|  | FY2018/19<br>\$ million | FY2017/18<br>\$ million |
|--|-------------------------|-------------------------|
| Reported Net Profit  | 683                     | 1,302                   |
| <i>Exclude Non-recurring and Other Items:</i>                  |                         |                         |
| <i>Changes to KrisFlyer Breakage Rates and Member Benefits</i> | -                       | (178)                   |
| <i>Compensation for Changes in Aircraft Slots</i>              | -                       | (65)                    |
| <i>Share of VAH's Accounting Adjustments</i>                   | 116                     | -                       |
| <i>SilkAir Re-fleeting and Restructuring Costs</i>             | 60                      | -                       |
| <i>Tax Impact</i>  | -                       | 41                      |
| Adjusted Net Profit  | 859                     | 1,100                   |

Financial Year 2018/19 Operating Results of Main Companies

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

| Operating Profit/(Loss)         | FY2018/19<br>\$ million | FY2017/18<br>\$ million |
|---------------------------------|-------------------------|-------------------------|
| Parent Airline Company [Note 4] | 991                     | 1,338                   |
| SilkAir                         | 15                      | 44                      |
| Scoot                           | (15)                    | 78                      |
| SIA Engineering                 | 57                      | 79                      |

Operating profit for the Parent Airline Company declined \$347 million to \$991 million, as flown revenue growth (\$613 million) was offset by the absence of non-recurring incidental revenue (\$243 million) and higher expenditure (\$684 million).

All route regions saw healthy passenger flown revenue growth for the Company (+\$568 million or 5.8%), with Europe, West Asia/Africa and the Americas, in particular, benefitting from strong demand, more agile commercial practices and in the latter's case, the introduction of new non-stop services. Overall, passenger carriage grew 7.0% (measured in revenue passenger-kilometres), while capacity expanded at a slower pace (+4.5%, measured in available seat-kilometres). Hence, passenger load factor for the year increased to 83.1% (+2.0 percentage points), the highest on record. RASK increased 1.2%, or 3.6% on a constant currency basis, marking another year of growth. Cargo flown revenue improved \$45 million (+2.1%) year-on-year, as stronger yields (+5.7%) were partially offset by lower loads carried (-3.5%).

The rise in expenditure (+6.0%) was attributable to higher net fuel cost, which increased \$535 million (+16.6%), primarily from higher fuel prices (+\$737 million) and volume consumed (+\$60 million), partially mitigated by higher fuel hedging gains (+\$253 million). Non-fuel costs increased \$149 million (+1.8%), attributable to an expansion in operations and higher staff strength.

SilkAir reported an operating profit of \$15 million, a \$29 million reduction year-on-year, largely due to an increase in net fuel cost (+\$30 million). Passenger carriage growth was strong (+7.2%) on modest capacity growth of 3.2%. However, competitive pressures and weakness of key revenue currencies led to flown revenue growth of only \$20 million (+2.1%). The higher flown revenue was largely negated by lower non-scheduled services revenue (-\$5 million) and higher non-fuel costs (+\$10 million or 1.2%). RASK contracted by 1.2%, although at constant exchange rates RASK would have been flat against last year.

|  |
|--|
| <p><b>Note 4:</b> SIA Cargo is a division within the Parent Airline Company with effect from 1 April 2018. Prior year comparatives have been adjusted to account for its re-integration. Please refer to Annex B for more details.</p> |
|--|

Scot swung to an operating loss of \$15 million from last year's profit of \$78 million (-\$93 million), as costs of expansion outweighed revenue growth. Performance was substantially affected by the slowdown in the rate of growth of Chinese travel. Growth in passenger traffic (+14.6%) trailed the growth of capacity (+15.1%), while yields also weakened with services mounted by new competitors on several routes. These factors contributed to a 2.0% reduction in RASK. Expenditure rose \$292 million (+19.4%), largely due to a higher net fuel bill (+\$123 million or 27.3%) and expansion costs (+\$169 million or 16.1%). While Scot's performance has also been affected by an unusual level of operational disruptions, largely relating to 787 engine issues, it has continued to lay the foundations to benefit over the medium and long term from growth in the budget travel segment.

SIA Engineering's operating profit for the year fell to \$57 million, \$22 million (-27.8%) lower year-on-year. Revenue fell \$74 million (-6.8%), largely attributable to lower airframe and fleet management activities. A reduction in expenditure (-\$52 million or 5.1%), primarily from a decline in material and subcontract costs on the lower workload, cushioned the contraction in revenue.

#### Fourth Quarter 2018/19 Operating Results of Main Companies

The Group's operating profit for the fourth quarter declined \$80 million (-24.0%) to \$253 million. Revenue improvement of \$58 million (+1.4%) was offset by higher net fuel cost (+\$81 million or 8.0%) and non-fuel costs on capacity injection. Non-fuel costs increased \$57 million (+2.1%), below the Group's passenger capacity growth of 8.0%.

The operating results of the main companies in the Group for the period were as follows:

| Operating Profit/(Loss) | 4 <sup>th</sup> Quarter<br>FY2018/19<br>\$ million | 4 <sup>th</sup> Quarter<br>FY2017/18<br>\$ million |
|-------------------------|--|--|
| Parent Airline Company  | 204  | 283  |
| SilkAir                 | 11   | 3  |
| Scot                    | (6)  | 30   |
| SIA Engineering         | 19   | 21   |

During the quarter, the Parent Airline Company's passenger flown revenue was up \$171 million (+7.0%) on the back of strong growth in carriage, led by North Asia and Americas. The cabin mix continued to improve, with growth in demand for Business and Premium Economy cabins, which helped to mitigate adverse foreign currency movements. The cargo segment, on the other hand, saw a \$34 million contraction (-6.6%) in revenue on lower loads (-6.8%), a reflection of the difficult trade conditions during the quarter. Overall revenue growth was also partially offset by the absence of the prior year's non-recurring incidental revenue (\$68 million) pertaining to KrisFlyer programme breakage rate adjustment and compensation for changes in aircraft delivery slots. Coupled with an increase in costs (+\$123 million or 4.2%) due to fuel (+\$73 million or 8.8%) and growth in operations, operating profit for the Company declined \$79 million to \$204 million.

SilkAir recorded an \$8 million improvement in operating profit, partly on lower costs. Passenger flown revenue improved \$3 million on RASK growth of 1.2% against last year, driven by a 3.7 percentage point improvement in load factor on higher passenger traffic (+4.3%). Expenditure fell, partly due to a reduction in the number of flights operated in the quarter.

Scot reported an operating loss of \$6 million, a \$36 million deterioration year-on-year. The weaker performance is attributable to an increase in expenditure (+\$49 million or 11.9%) led by capacity injection (+10.9%), which outpaced revenue growth. Passenger flown revenue increased \$20 million (+4.8%) on the back of 8.5% growth in passenger carriage, but RASK fell 5.8%, partly due to a 1.9 percentage point decline in load factor.

Group net profit for the quarter fell \$78 million (-27.8%) to \$203 million, driven by the weaker operating performance (-\$80 million) and an increase in non-operating items mainly due to SilkAir's re-fleeting and restructuring. These were partially alleviated by a reduction in taxes on lower profitability.

## **FINAL DIVIDEND OF 22 CENTS**

The Board of Directors recommends a final dividend of 22 cents per share for the financial year 2018/19.

Including the interim dividend of 8 cents per share paid on 4 December 2018, the total dividend for the 2018/19 financial year will be 30 cents per share. The final dividend (tax exempt, one-tier) would be paid on 16 August 2019 for shareholders as at 2 August 2019.

## ROUTE DEVELOPMENT

During the Northern Summer operating season (31 March 2019 to 26 October 2019), the Parent Airline Company began operating a third Singapore-Osaka service. A thrice-weekly Singapore-Johannesburg flight was also introduced, bringing the total number of flights to Johannesburg to 10 times weekly, up from the existing daily operations. Seattle services are due to commence on 3 September 2019. As at 31 March 2019, SIA operated to 63 destinations across 32 countries and territories, including Singapore.

As part of the planned merger of SilkAir into SIA, SilkAir recently completed the transfer of Vientiane, Luang Prabang and Trivandrum operations to Scoot. Planned transfers for Coimbatore and Visakhapatnam are also on track, subject to final regulatory approvals. SilkAir launched its first South Korean service to Busan on 1 May 2019, becoming the first carrier with scheduled flights on the route. As at 31 March 2019, SilkAir served 49 destinations in 16 countries, including Singapore.

Scoot commenced Singapore-Laos services in a circular routing from Vientiane through Luang Prabang on 1 April 2019, while Trivandrum flights started on 7 May 2019. Kota Bharu, a new destination for the Group, will also be added from July 2019, subject to regulatory approval. Following a network review, Scoot's services to Dhaka, Dalian and Honolulu were terminated, while Bengaluru and Shenzhen services will be transferred to SIA and SilkAir respectively.

Due to the grounding of the Boeing 737 MAX 8 fleet, SilkAir will no longer transfer the Boeing 737-800NG aircraft to Scoot in FY2019/20. As a result, Scoot will be suspending services to four destinations with weak demand – Lucknow, Kalibo, Quanzhou and Male - in the coming months. Flights to Male will continue to be operated by SIA and SilkAir. As at 31 March 2019, Scoot operated to 66 destinations in 18 countries and territories, including Singapore.

At the end of the financial year, the portfolio of airlines in the Group served 138 passenger destinations in 37 countries and territories, including Singapore.

SIA's cargo operations will continue to pursue charter opportunities and deploy capacity to match demand. The freighter network covers 19 cities in 13 countries and territories, including Singapore.

## OUTLOOK

Growth in forward passenger bookings in the months ahead is tracking positively against capacity injection, with robust premium cabin demand. Most key markets, including those that have seen significant capacity growth such as the US, Japan, Indonesia and New Zealand, continue to grow at a healthy pace. However, China's international traffic growth rates have softened, at a time of increased supply in the market.

Notwithstanding the current demand picture, ongoing trade disputes and slowing economic growth in key markets pose uncertainty to the operating environment. Efforts will be made to capture opportunities and mitigate any arising weaknesses in both cargo and passenger segments.

Fuel cost headwinds may persist on supply risks in the oil market. However, the SIA Group's significant fuel hedges should help to mitigate the effect of higher fuel prices. For the financial year 2019/20, the Group has hedged 64% of its fuel requirement in MOPS and 5% in Brent at weighted average prices of USD76 and USD53 per barrel, respectively. Longer-dated Brent hedges with maturities extending to the financial year 2024/25 cover up to 46% of the Group's projected annual fuel consumption, at average prices ranging from USD58 to USD63 per barrel [Note 5].

Issues related to the Boeing 737 MAX 8 fleet, which have led to its suspension from service until further notice, as well as issues with Rolls-Royce Trent 1000 TEN engines powering Boeing 787s, has affected the Group's passenger capacity growth, which now is expected to be 6% in the year ahead. The Group wishes to assure customers that the safety of its passengers and crew is of utmost importance, and only aircraft and engines that have been certified fit to fly will be returned to service.

SIA's Transformation programme continues to progress well, resulting in revenue growth, and improvements to operational efficiency and organisational structure. The Airline's digital transformation is also making good progress, with significant investments in support of an ambition to be the world's leading digital airline. At the same time, new industry-leading products and services continue to be rolled out on more routes, as new fuel-efficient aircraft enter the fleet. With these and other initiatives, the Group is well positioned to navigate through ongoing challenges in the operating environment.

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A STAR ALLIANCE MEMBER 



## GROUP FINANCIAL STATISTICS

|   | 2018/19     | 2017/18 <sup>R1</sup>     | 4 <sup>th</sup> Quarter<br>2018/19 | 4 <sup>th</sup> Quarter<br>2017/18 <sup>R1</sup> |
|---|-------------|---------------------------|------------------------------------|--|
| <b>Financial Results (\$ million)</b>             |             |                           |                                    |  |
| Total revenue                                     | 16,323.2    | 15,806.1                  | 4,075.1                            | 4,017.3  |
| Total expenditure                                 | 15,256.1    | 14,257.3                  | 3,821.6                            | 3,683.9  |
| Operating profit                                  | 1,067.1     | 1,548.8                   | 253.5                              | 333.4  |
| Non-operating items                               | (198.5)     | 44.4                      | (39.5)                             | 22.7   |
| Profit before taxation                            | 868.6       | 1,593.2                   | 214.0                              | 356.1  |
| Profit attributable to Owners of the Company      | 682.7       | 1,301.6                   | 202.6                              | 281.1  |
| <b>Per Share Data</b>                             |             |                           |                                    |  |
| Earnings per share (cents)                        |             |                           |                                    |  |
| - Basic <sup>R2</sup>                             | 57.7        | 110.1                     | 17.1                               | 23.8   |
| - Diluted <sup>R3</sup>                           | 57.4        | 109.7                     | 17.0                               | 23.7   |
|   | As at       | As at                     |                                    |  |
|   | 31 Mar 2019 | 31 Mar 2018 <sup>R4</sup> |                                    |  |
| <b>Financial Position (\$ million)</b>            |             |                           |                                    |  |
| Share capital                                     | 1,856.1     | 1,856.1                   |                                    |  |
| Treasury shares                                   | (171.5)     | (183.5)                   |                                    |  |
| Capital reserve                                   | (124.3)     | (139.4)                   |                                    |  |
| Foreign currency translation reserve              | (33.2)      | (52.4)                    |                                    |  |
| Share-based compensation reserve                  | 24.9        | 79.5                      |                                    |  |
| Fair value reserve                                | 459.7       | 313.5                     |                                    |  |
| General reserve                                   | 11,275.1    | 10,986.5                  |                                    |  |
| Equity attributable to Owners of the Company      | 13,286.8    | 12,860.3                  |                                    |  |
| Total assets                                      | 30,505.2    | 25,892.5                  |                                    |  |
| Total debt  | 6,654.4     | 3,127.3                   |                                    |  |
| Total debt : equity ratio (times) <sup>R5</sup>   | 0.50        | 0.24                      |                                    |  |
| Net asset value (\$) <sup>R6</sup>                | 11.22       | 10.88                     |                                    |  |
| Return on equity holders' funds (%) <sup>R7</sup> | 5.2         | 10.8                      |                                    |  |
| Value added                                       | 5,314.3     | 5,615.5                   |                                    |  |
| <b>Dividends</b>                                  |             |                           |                                    |  |
| Interim dividend (cents per share)                | 8.0         | 10.0                      |                                    |  |
| Proposed final dividend (cents per share)         | 22.0        | 30.0                      |                                    |  |
| Dividend cover (times) <sup>R8</sup>              | 1.9         | 2.8                       |                                    |  |

<sup>R1</sup> Prior year comparatives have been restated to account for the adoption of IFRS.

<sup>R2</sup> Earnings per share (basic) is computed by dividing profit attributable to the Company by the weighted average number of ordinary shares in issue less treasury shares.

<sup>R3</sup> Earnings per share (diluted) is computed by dividing profit attributable to the Company by the weighted average number of ordinary shares in issue less treasury shares, adjusted for the dilutive effect on the vesting of all outstanding share-based incentive awards granted.

<sup>R4</sup> Balances and figures as at 31 March 2018 have been restated due to the adoption of IFRS.

<sup>R5</sup> Total debt : equity ratio is total debt divided by equity attributable to the Company.

<sup>R6</sup> Net asset value per share is computed by dividing equity attributable to the Company by the number of ordinary shares in issue less treasury shares.

<sup>R7</sup> Return on equity holders' funds is profit attributable to the Company expressed as a percentage of the average equity holders' funds.

<sup>R8</sup> Dividend cover is profit attributable to owners of the Company divided by total dividends. Prior year dividend cover has been restated to account for the adoption of IFRS.

## OPERATING STATISTICS

|   | 2018/19   | 2017/18 <sup>R9</sup> | Change<br>% | 4 <sup>th</sup><br>Quarter<br>2018/19 | 4 <sup>th</sup><br>Quarter<br>2017/18 <sup>R9</sup> | Change<br>% |
|---|-----------|-----------------------|-------------|---------------------------------------|---|-------------|
| <b>SIA</b>                                |           |                       |             |                                       |   |             |
| <b>Passenger Operations</b>               |           |                       |             |                                       |   |             |
| Passengers carried (thousand)             | 20,738    | 19,505                | + 6.3       | 5,166                                 | 4,793   | + 7.8       |
| Revenue passenger-km (million)            | 102,571.9 | 95,855.0              | + 7.0       | 25,666.7                              | 23,587.1  | + 8.8       |
| Available seat-km (million)               | 123,486.2 | 118,126.7             | + 4.5       | 31,428.7                              | 29,074.4  | + 8.1       |
| Passenger load factor (%)                 | 83.1      | 81.1                  | + 2.0 pts   | 81.7                                  | 81.1  | + 0.6 pt    |
| Passenger yield per passenger-km (cents)  | 10.1      | 10.2                  | - 1.0       | 10.2                                  | 10.3  | - 1.0       |
| Revenue per available seat-km (cents/ask) | 8.4       | 8.3                   | + 1.2       | 8.4                                   | 8.4   | -           |
| Passenger unit cost (cents/ask)           | 8.3       | 8.1                   | + 2.5       | 8.3                                   | 8.4   | - 1.2       |
| Passenger unit cost non-fuel (cents/ask)  | 5.5       | 5.6                   | - 1.8       | 5.6                                   | 5.7   | - 1.8       |
| <b>Cargo Operations</b>                   |           |                       |             |                                       |   |             |
| Cargo and mail carried (million kg)       | 1,298.3   | 1,301.2               | - 0.2       | 303.0                                 | 312.2   | - 2.9       |
| Cargo load (million tonne-km)             | 7,006.5   | 7,260.3               | - 3.5       | 1,607.6                               | 1,724.5   | - 6.8       |
| Gross capacity (million tonne-km)         | 11,210.4  | 11,126.7              | + 0.8       | 2,732.3                               | 2,741.3   | - 0.3       |
| Cargo load factor (%)                     | 62.5      | 65.3                  | - 2.8 pts   | 58.8                                  | 62.9  | - 4.1 pts   |
| Cargo yield (cents/ltk)                   | 31.7      | 30.0                  | + 5.7       | 30.0                                  | 29.9  | + 0.3       |
| Cargo unit cost (cents/ctk)               | 16.5      | 16.2                  | + 1.9       | 15.7                                  | 15.8  | - 0.6       |
| <b>Overall Operations</b>                 |           |                       |             |                                       |   |             |
| Overall load (million tonne-km)           | 16,520.2  | 16,150.8              | + 2.3       | 3,992.4                               | 3,914.8   | + 2.0       |
| Overall capacity (million tonne-km)       | 23,694.6  | 23,043.3              | + 2.8       | 5,922.1                               | 5,674.8   | + 4.4       |
| Overall load factor (%)                   | 69.7      | 70.1                  | - 0.4 pt    | 67.4                                  | 69.0  | - 1.6 pts   |
| Overall yield (cents/ltk)                 | 76.3      | 74.3                  | + 2.7       | 77.9                                  | 75.9  | + 2.6       |
| Overall unit cost (cents/ctk)             | 50.9      | 49.1                  | + 3.7       | 51.3                                  | 50.6  | + 1.4       |
| <b>SilkAir</b>                            |           |                       |             |                                       |   |             |
| Passengers carried (thousand)             | 4,902     | 4,687                 | + 4.6       | 1,195                                 | 1,157   | + 3.3       |
| Revenue passenger-km (million)            | 8,940.3   | 8,343.5               | + 7.2       | 2,171.2                               | 2,081.2   | + 4.3       |
| Available seat-km (million)               | 11,731.8  | 11,365.9              | + 3.2       | 2,853.9                               | 2,873.1   | - 0.7       |
| Passenger load factor (%)                 | 76.2      | 73.4                  | + 2.8 pts   | 76.1                                  | 72.4  | + 3.7 pts   |
| Passenger yield (cents/pkm)               | 10.9      | 11.5                  | - 5.2       | 11.3                                  | 11.7  | - 3.4       |
| Revenue per available seat-km (cents/ask) | 8.3       | 8.4                   | - 1.2       | 8.6                                   | 8.5   | + 1.2       |
| Passenger unit cost (cents/ask)           | 8.5       | 8.4                   | + 1.2       | 8.5                                   | 8.8   | - 3.4       |
| Passenger unit cost non-fuel (cents/ask)  | 6.3       | 6.4                   | - 1.6       | 6.4                                   | 6.7   | - 4.5       |

<sup>R9</sup> Prior year unit cost has been restated due to the adoption of IFRS.

|  | 2018/19   | 2017/18 <sup>R9</sup>  | Change<br>% | 4 <sup>th</sup><br>Quarter<br>2018/19 | 4 <sup>th</sup><br>Quarter<br>2017/18 <sup>R9</sup> | Change<br>% |
|--|-----------|------------------------|-------------|---------------------------------------|---|-------------|
| <b>Scoot</b>   |           |                        |             |                                       |   |             |
| Passengers carried (thousand)                        | 10,455    | 9,467                  | +           | 2,639                                 | 2,481   | + 6.4       |
| Revenue passenger-km (million)                       | 29,325.9  | 25,599.8               | +           | 7,470.7                               | 6,888.6   | + 8.5       |
| Available seat-km (million)                          | 34,388.6  | 29,888.4               | +           | 8,783.3                               | 7,917.7   | + 10.9      |
| Passenger load factor (%)                            | 85.3      | 85.7                   | -           | 85.1                                  | 87.0  | - 1.9 pts   |
| Revenue per revenue seat-km (cents/pkm)              | 5.7       | 5.8                    | -           | 5.8                                   | 6.0   | - 3.3       |
| Revenue per available seat-km (cents/ask)            | 4.9       | 5.0                    | -           | 4.9                                   | 5.2   | - 5.8       |
| Cost per available seat-km (cents/ask)               | 5.2       | 4.9                    | +           | 5.2                                   | 5.2   | -           |
| Cost per available seat-km non-fuel<br>(cents/ask)   | 3.5       | 3.4                    | +           | 3.7                                   | 3.5   | + 5.7       |
| <b>Group Airlines (Passenger)</b>                    |           |                        |             |                                       |   |             |
| Passengers carried (thousand)                        | 36,095    | 33,659                 | +           | 9,000                                 | 8,431   | + 6.7       |
| Revenue passenger-km (million)                       | 140,838.1 | 129,798.3              | +           | 35,308.6                              | 32,556.9  | + 8.5       |
| Available seat-km (million)                          | 169,606.6 | 159,381.0              | +           | 43,065.9                              | 39,865.2  | + 8.0       |
| Passenger load factor (%)                            | 83.0      | 81.4                   | +           | 82.0                                  | 81.7  | + 0.3 pt    |
| Passenger yield (cents/pkm)                          | 9.2       | 9.4                    | -           | 9.4                                   | 9.5   | - 1.1       |
| Revenue per available seat-km (cents/ask)            | 7.7       | 7.7                    | -           | 7.7                                   | 7.7   | -           |
|  | 2018/19   | 2017/18 <sup>R10</sup> | Change<br>% |                                       |   |             |
| <b>Employee Productivity (Average) –<br/>Company</b> |           |                        |             |                                       |   |             |
| Average number of employees                          | 15,943    | 15,620                 | +           | 2.1                                   |   |             |
| Capacity per employee<br>(tonne-km)                  | 1,486,207 | 1,475,242              | +           | 0.7                                   |   |             |
| Revenue per employee (\$)                            | 824,450   | 819,942                | +           | 0.5                                   |   |             |
| Value added per employee (\$)                        | 258,634   | 286,530                | -           | 9.7                                   |   |             |
| <b>Employee Productivity (Average) –<br/>Group</b>   |           |                        |             |                                       |   |             |
| Average number of employees                          | 26,534    | 25,901                 | +           | 2.4                                   |   |             |
| Revenue per employee (\$)                            | 615,181   | 610,251                | +           | 0.8                                   |   |             |
| Value added per employee (\$)                        | 200,283   | 216,806                | -           | 7.6                                   |   |             |

<sup>R9</sup> Prior year unit cost has been restated due to the adoption of IFRS.

<sup>R10</sup> Prior year productivity figures for the Company and Group have been restated due to the adoption of IFRS. Productivity figures for the Company were also adjusted due to the re-integration of SIA Cargo with effect from 1 April 2018.

**GLOSSARY**SIAPassenger Operations

|                               |   |  |
|-------------------------------|---|--|
| 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               | = | Passenger revenue from scheduled services divided by revenue passenger-km    |
| Revenue per available seat-km | = | Passenger revenue from scheduled services divided by available seat-km       |
| Passenger unit cost           | = | Passenger operating expenditure divided by available seat-km                 |
| Passenger unit cost non-fuel  | = | Passenger operating expenditure less fuel cost, divided by available seat-km |

Cargo Operations

|                   |   |   |
|-------------------|---|---|
| Cargo load        | = | Cargo and 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 (in tonne-km) expressed as a percentage of gross capacity (in tonne-km) |
| Cargo yield       | = | Cargo and mail revenue from scheduled services divided by cargo load (in tonne-km)          |
| Cargo unit cost   | = | Cargo operating expenditure divided by gross capacity (in tonne-km)                         |

Overall Operations

|                     |   |   |
|---------------------|---|---|
| Overall load        | = | Passenger, cargo and mail load carried (in tonnes) x distance flown (in km)                     |
| Overall capacity    | = | Passenger and cargo capacity production (in tonnes) x distance flown (in km)                    |
| Overall load factor | = | Overall load (in tonne-km) expressed as a percentage of overall capacity (in tonne-km)          |
| Overall yield       | = | Passenger, cargo and mail revenue from scheduled services divided by overall load (in tonne-km) |
| Overall unit cost   | = | Operating expenditure divided by overall capacity   |

SilkAir

|                               |   |  |
|-------------------------------|---|--|
| 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               | = | Passenger revenue from scheduled services divided by revenue passenger-km              |
| Revenue per available seat-km | = | Passenger revenue from scheduled services divided by available seat-km                 |
| Passenger unit cost           | = | Operating expenditure (less cargo and mail revenue) divided by available seat-km       |
| Passenger unit cost non-fuel  | = | Operating expenditure (less cargo, mail revenue and fuel) divided by available seat-km |

Scoot

|                                     |   |   |
|-------------------------------------|---|---|
| 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       |
| Revenue per revenue seat-km         | = | Passenger revenue from scheduled services divided by revenue passenger-km |
| Revenue per available seat-km       | = | Passenger revenue from scheduled services divided by available seat-km    |
| Cost per available seat-km          | = | Operating expenditure divided by available seat-km                        |
| Cost per available seat-km non-fuel | = | Operating expenditure less fuel divided by available seat-km              |

Group Airlines (Passenger)

|                               |   |   |
|-------------------------------|---|---|
| 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               | = | Passenger revenue from scheduled services divided by revenue passenger-km |
| Revenue per available seat-km | = | Passenger revenue from scheduled services divided by available seat-km    |

## PARENT AIRLINE COMPANY FINANCIAL RESULTS

|   | 2018/19<br>(Actual) | 2017/18 <sup>R1</sup><br>(Pro Forma<br>Restated) | 4 <sup>th</sup> Quarter<br>2018/19<br>(Actual) | 4 <sup>th</sup> Quarter<br>2017/18 <sup>R1</sup><br>(Pro Forma<br>Restated) |
|---|---------------------|--|--|---|
| <b>Financial Results (\$ million)</b>             |                     |  |  |   |
| Total revenue                                     | 13,144              | 12,807   | 3,254  | 3,210   |
| Fuel costs  | 3,763               | 3,228  | 903  | 830   |
| Staff costs                                       | 1,968               | 1,881  | 498  | 503   |
| Depreciation                                      | 1,102               | 970  | 299  | 265   |
| Handling charges                                  | 1,183               | 1,191  | 290  | 272   |
| Aircraft maintenance and overhaul costs           | 724                 | 807  | 179  | 206   |
| Inflight meals and other passenger costs          | 669                 | 644  | 170  | 153   |
| Rentals on leased aircraft                        | 445                 | 585  | 106  | 135   |
| Airport and overflying charges                    | 688                 | 678  | 169  | 166   |
| Sales costs                                       | 695                 | 625  | 201  | 176   |
| Communication and information<br>technology costs | 120                 | 101  | 34   | 27  |
| Other costs                                       | 796                 | 759  | 201  | 194   |
| Total expenditure                                 | 12,153              | 11,469   | 3,050  | 2,927   |
| Operating profit                                  | 991                 | 1,338  | 204  | 283   |

<sup>R1</sup> Prior year comparatives have been restated to account for the adoption of IFRS.