



**SINGAPORE  
AIRLINES**

**ANALYST/MEDIA BRIEFING  
FY2013-14 RESULTS  
9 MAY 2014**



**THE PARENT AIRLINE  
FY2013/14  
RESULTS**



## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2013/14

	<u>4Q/13</u>	<u>% Change</u>	<u>2013/14</u>	<u>% Change</u>
Available Seat-KM (million)	29,356	+0.3	120,503	+1.9
Revenue Pax-KM (million)	22,598	-1.8	95,064	+1.4
Passenger Load Factor (%)	77.0	-1.6 pts	78.9	-0.4 pt

Slide 3



## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – FY2013/14

	<u>4Q/13</u>	<u>% Change</u>	<u>2013/14</u>	<u>% Change</u>
Passenger Yield (¢/pkm)	11.1	-0.9	11.1	-2.6
Passenger Unit Cost (¢/ask)	9.2	-2.1	9.1	-1.1
Passenger Breakeven Load Factor (%)	82.9	-1.0 pt	82.0	+1.3 pts

Slide 4



## THE PARENT AIRLINE COMPANY RESULTS – FY2013/14

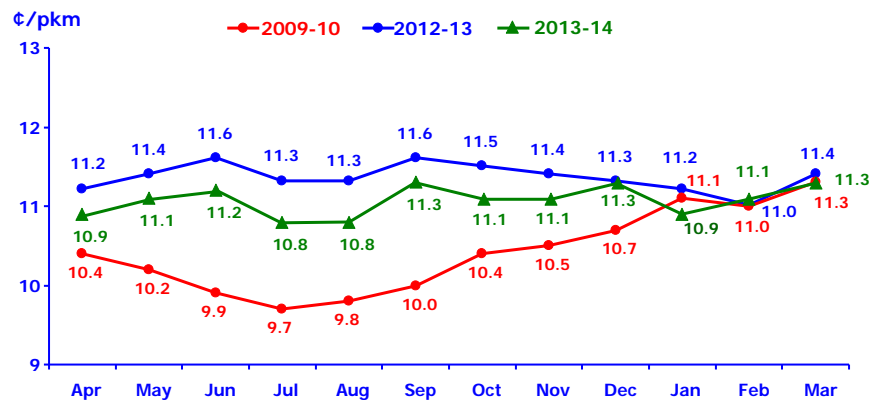
	4Q/13 \$million	Better/ (Worse) \$million	2013/14 \$million	Better/ (Worse) \$million
<b>Total Revenue</b>	<b>2,948</b>	<b>(51)</b>	<b>12,480</b>	<b>93</b>
<b>Total Expenditure</b>	<b>3,008</b>	<b>60</b>	<b>12,224</b>	<b>(24)</b>
- Fuel Cost	1,180	53	4,844	135
- Fuel Hedging Gain	(23)	3	(71)	43
- Ex-fuel Cost	1,851	4	7,451	(202)
<b>Operating (Loss)/Profit</b>	<b>(60)</b>	<b>9</b>	<b>256</b>	<b>69</b>
<b>Operating (Loss)/Profit Margin (%)</b>	<b>(2.0)</b>	<b>0.3 pt</b>	<b>2.0</b>	<b>0.5 pt</b>

Slide 5



## THE PARENT AIRLINE COMPANY - PASSENGER YIELD

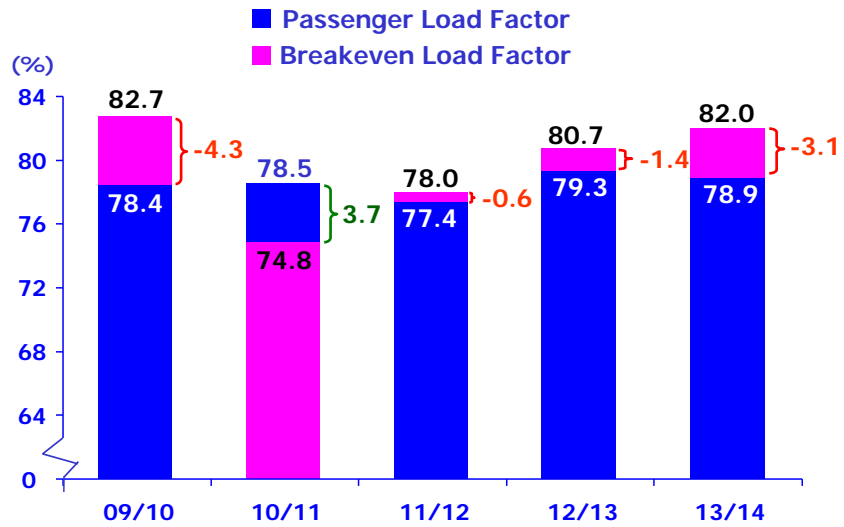
### Monthly Pax Yields (Including Fuel Surcharge)



Slide 6



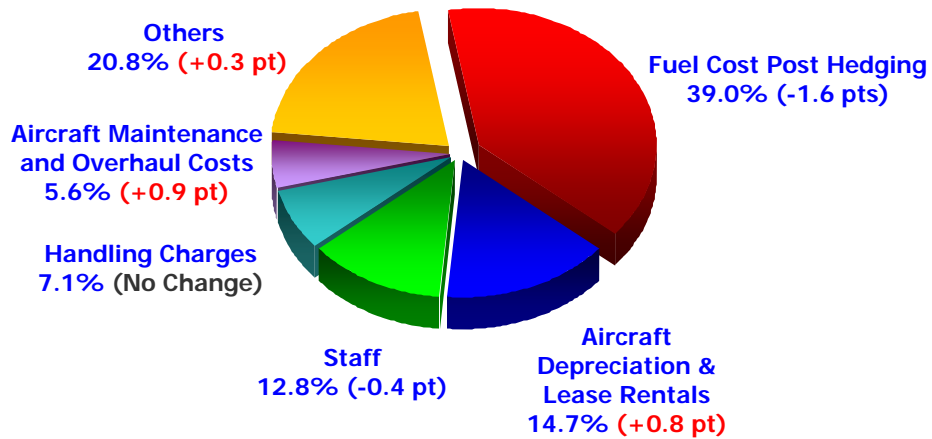
## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE



Slide 7

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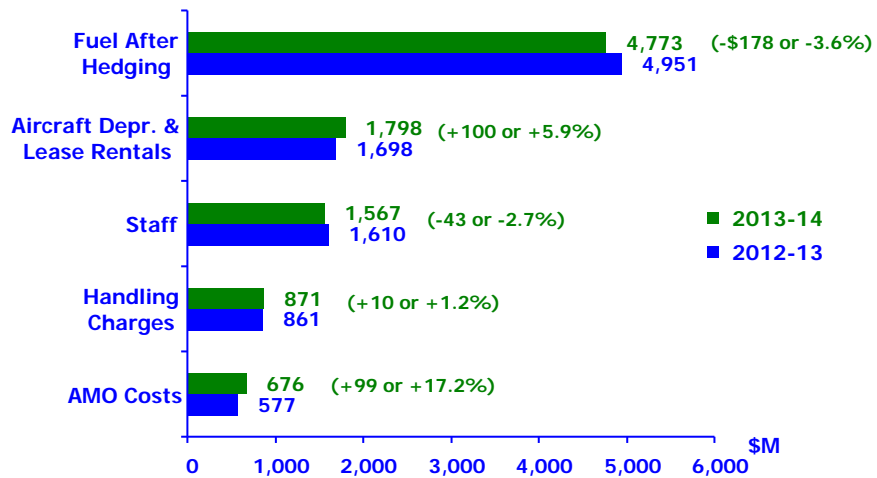
## THE PARENT AIRLINE COMPANY COST COMPOSITION – FY2013/14



Slide 8

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## THE PARENT AIRLINE COMPANY TOP 5 EXPENDITURE – FY2013/14

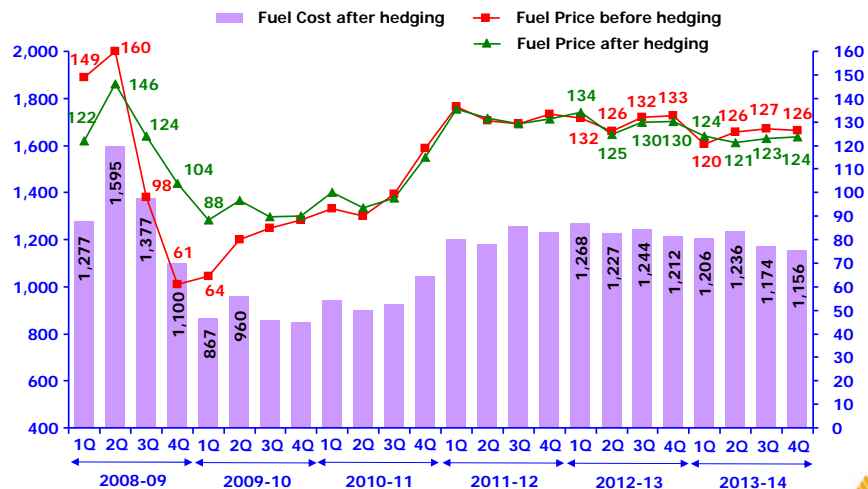


Slide 9



## THE PARENT AIRLINE COMPANY FUEL PRICE AND EXPENDITURE - TREND

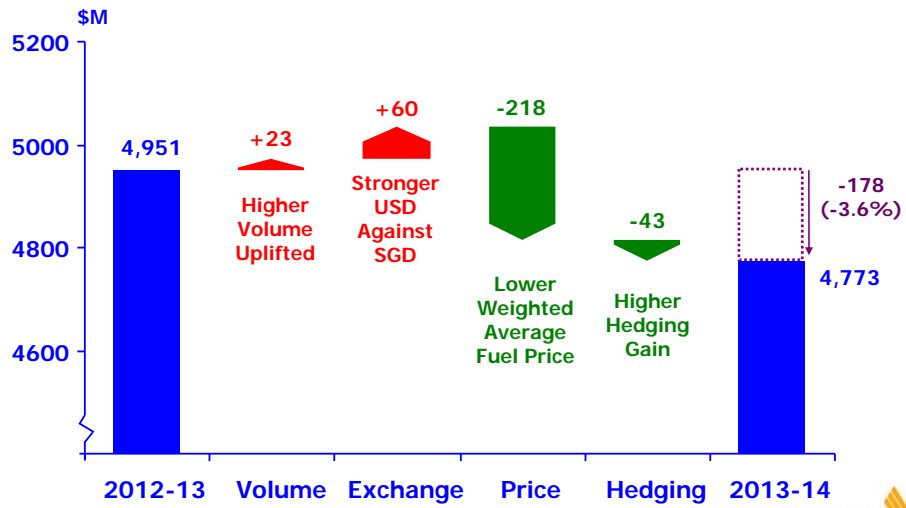
### Fuel Price After Hedging



Slide 10



## THE PARENT AIRLINE COMPANY FUEL EXPENDITURE – FY13/14



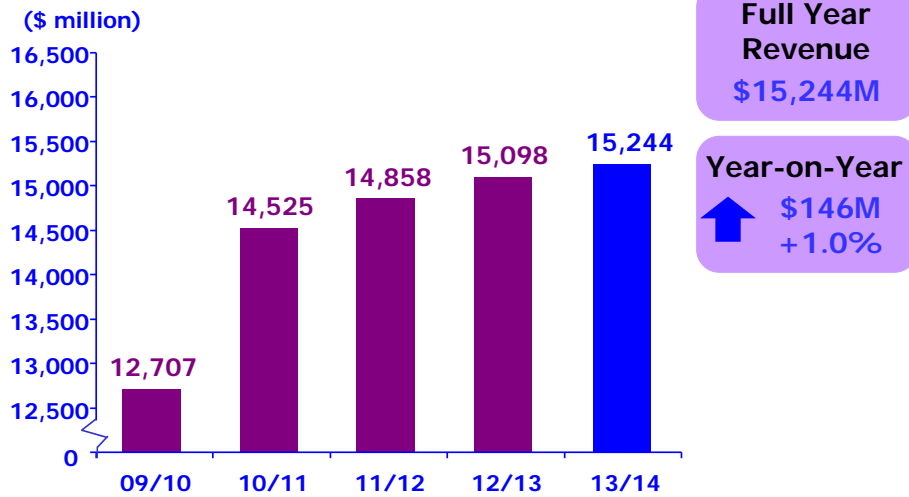
Slide 11

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## THE GROUP FY2013/14 RESULTS

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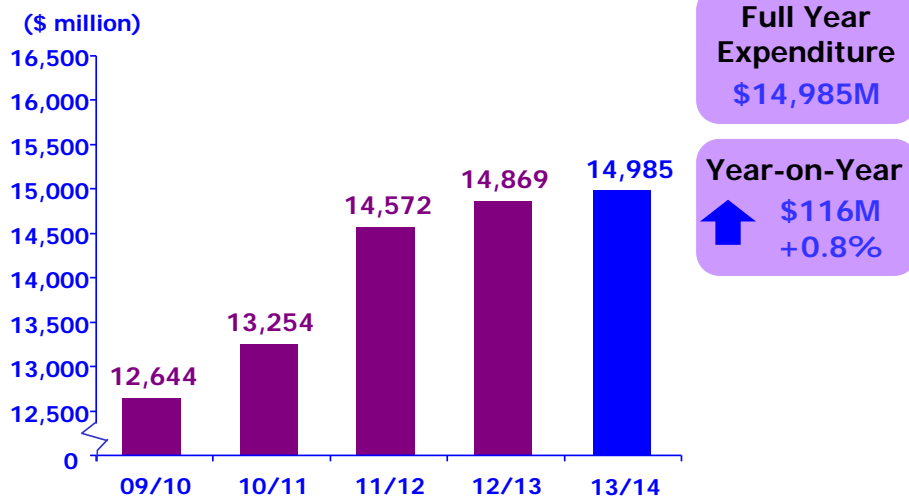
## GROUP REVENUE – FY2013/14



Slide 13

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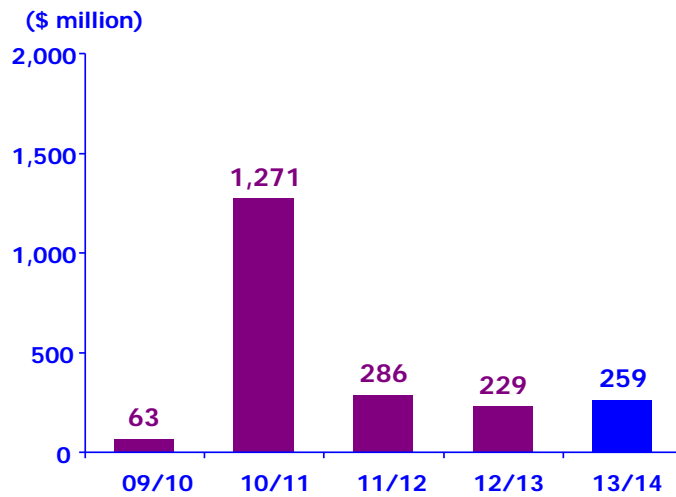
## GROUP EXPENDITURE – FY2013/14



Slide 14

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## GROUP OPERATING PROFIT – FY2013/14



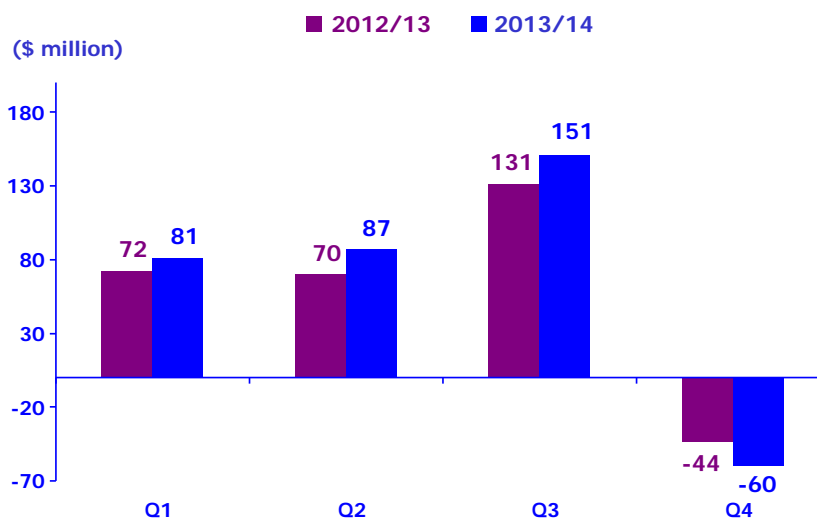
**Full Year  
Op Profit**  
\$259M

**Year-on-Year**  
↑ \$30M  
+13.1%

Slide 15

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## GROUP OPERATING PROFIT – FY2013/14

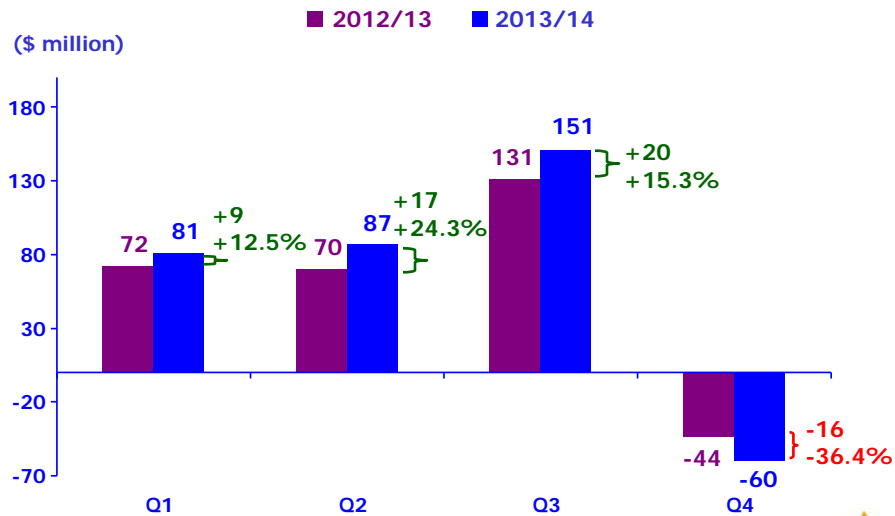


Slide 16

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## GROUP OPERATING PROFIT – FY2013/14



Slide 17

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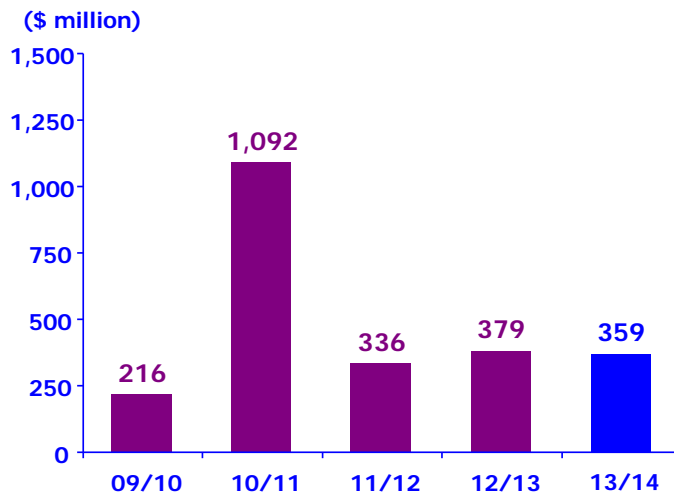
## CONTRIBUTION TO GROUP OPERATING PROFIT – FY2013/14 (\$ million)

	<u>2013/14</u>	<u>2012/13</u>	<u>Change</u>	<u>% Change</u>
Singapore Airlines	256	187	+ 69	+ 36.9
SIA Engineering	116	128	- 12	- 9.4
SilkAir	35	97	- 62	- 63.9
SIA Cargo	(100)	(167)	+ 67	+ 40.1

Slide 18

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## GROUP NET PROFIT – FY2013/14



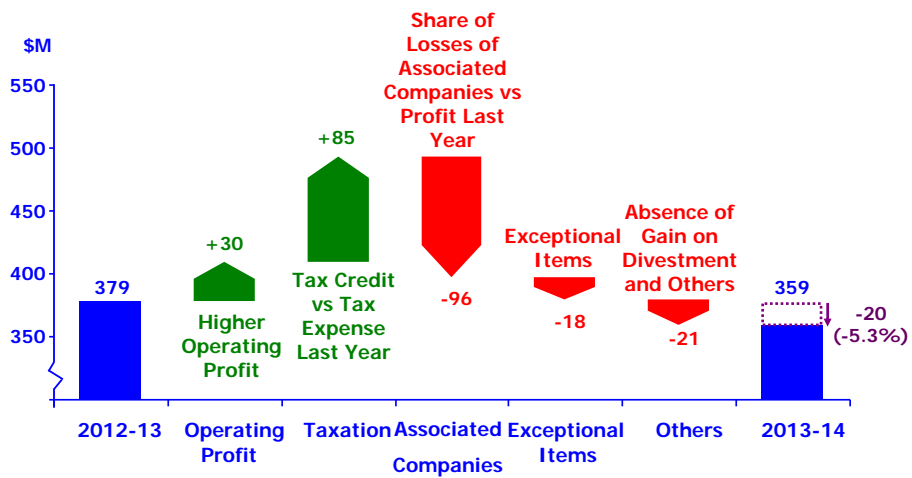
**Full Year  
Net Profit**  
\$359M

**Year-on-Year**  
↓ -\$20M  
↓ -5.3%

Slide 19

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## GROUP NET PROFIT – FY2013/14



Slide 20

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## DIVIDENDS – FY2013/14

	<u>2013/14</u>	<u>2012/13</u>
Earnings Per Share (¢)	30.6	32.2
Interim Dividend Per Share (¢)	10.0	6.0
Proposed Final Dividend Per Share (¢)	11.0	17.0
Proposed Special Dividend Per Share (¢)	25.0	-
Total Dividend Per Share (¢)	46.0	23.0

Slide 21

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## FLEET DEVELOPMENT - SIA

	<u>No. of Aircraft</u>
Operating Fleet at 31 March 14	103
IN: Delivery of A330-300	+ 5
Delivery of B777-300ER	+ 3
Return of B777-200 from lease	+ 2
OUT: Decommissioned B777-200	- 7
Decommissioned A330-300	- 1
Operating Fleet at 31 March 15	<u>105</u>

Slide 22

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## FLEET DEVELOPMENT - SLK

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	<u>No. of Aircraft</u>
Operating Fleet at 31 March 14	24
IN: Delivery of B737-800	+ 7
OUT: Decommissioned A320-200	- 4
Operating Fleet at 31 March 15	<u>27</u>

Slide 23



## FLEET DEVELOPMENT - SCOOT

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	<u>No. of Aircraft</u>
Operating Fleet at 31 March 14	6
IN: Delivery of B787	+ 2
OUT: Decommissioned B777-200	- 1
Operating Fleet at 31 March 15	<u>7</u>

Slide 24



## GROUP CAPITAL EXPENDITURE

	<u>FY14/15</u>	<u>FY15/16</u>	<u>FY16/17</u>	<u>FY17/18</u>	<u>FY18/19</u>
Aircraft	2,100	3,100	2,900	4,150	4,250
Other Assets	200	200	150	150	150
<b>Total</b>	<b>2,300</b>	<b>3,300</b>	<b>3,050</b>	<b>4,300</b>	<b>4,400</b>

Slide 25

## GROUP FUEL HEDGING POSITION

<u>For the period Apr 14 to Mar 15</u>	Jet Fuel	Brent
Percentage hedged (%)	45.1	6.8
Average hedged price (USD/BBL - Jet Fuel)	117	97

Slide 26

# BUSINESS OUTLOOK FOR FY2014/15

## OUTLOOK

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- Intense competition
- Economic and political risks
- Elevated and range bound fuel prices

# MEETING THE CHALLENGES

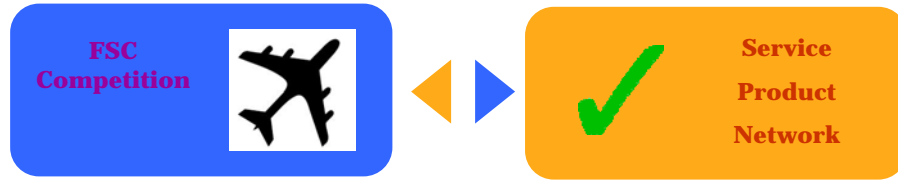
## CHALLENGES

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**FSC  
Competition**



## CHALLENGES



Slide 31

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## NETWORK CONNECTIVITY

- Expanding our network through partnerships



As at March 2014

**Over 5,000** weekly flight segments on code share partners

**Over six times** the number of weekly flights operated by SIA ex-SIN

Slide 32

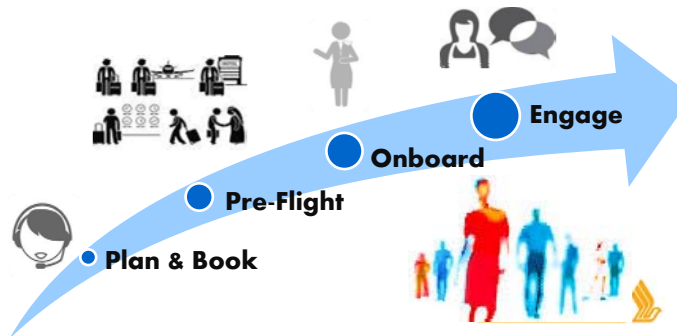
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## SERVICE EXCELLENCE

### Customer Experience Management

- 360° view of our customers to deliver Proactive and Personalized services
- CEM system will be available to all frontline service touchpoints progressively from Q3 2014



Slide 33

## SERVICE EXCELLENCE

### Loyalty Programme Enhancements

PPS CLUB 

#### Enhancement to benefits

- Enhance reserve value feature
- Improve redemption seat availability for Solitaires

KRISFLYER 

#### More "Pay with Miles" features

- New payment option: Combine miles and cash
- More choices: Miles can be used as payment for commercial tickets including fuel surcharge & taxes

Slide 34

## PRODUCT LEADERSHIP

- **“Home Away From Home”**
  - New-concept SilverKris Lounge debuted in SYD
  - On track to upgrade SilverKris Lounges in LON, HKG and MNL by end of 2014



Slide 35

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## PRODUCT LEADERSHIP

- **USD325 million retrofit of 19 B777-300ERs with latest cabin products**
- **To provide consistency across entire B777-300ER fleet**
- **Installation work to begin in early 2015, with all 19 aircraft completed by end of 2016**



Slide 36

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## PRODUCT LEADERSHIP

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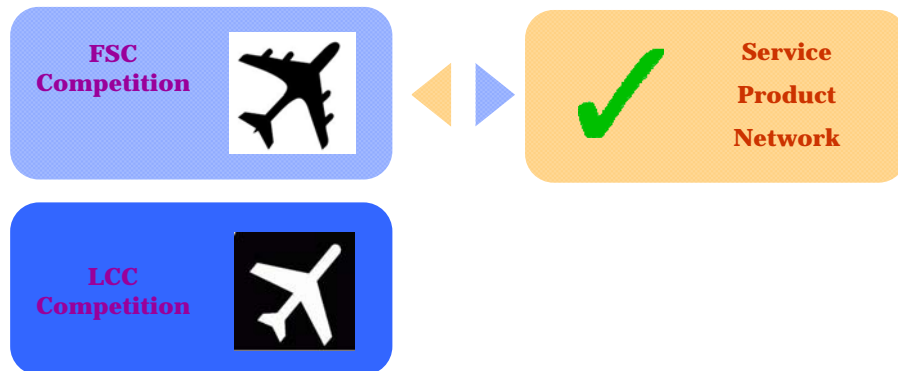
**Premium Economy  
Class to be launched  
in 2<sup>nd</sup> half 2015**

Slide 37

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## CHALLENGES

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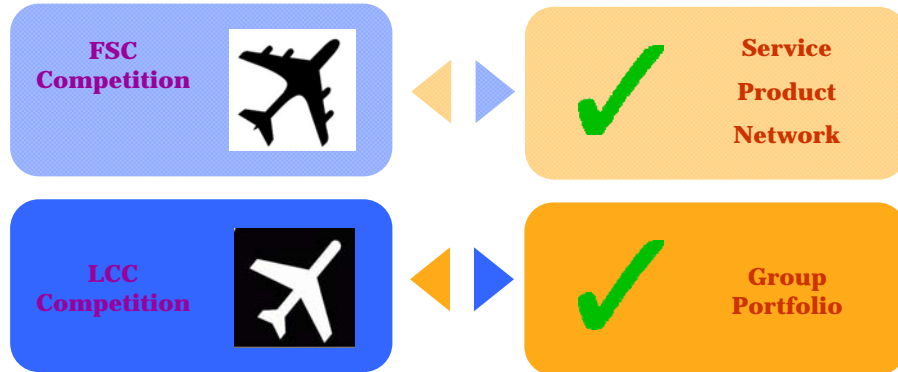


Slide 38

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## CHALLENGES

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Slide 39

## SCOOT

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- Passed 2 million passenger milestone in Jan 2014
- Commence renewal of fleet from end of 2014 with first delivery of B787
- 13 destinations in eight countries or territories

Slide 40

## Tiger Airways

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- **SIA's interest in Tiger Airways**
  - **Subscribed to Rights Shares in April 2013 to maintain interest at 32.7%**
  - **Increase interest to 40.0% in December 2013 after purchase of Temasek Holdings' shares**
  - **Subscribed to perpetual convertible capital securities (PCCS) which are convertible into an additional 12.1% interest; including the PCCS, SIA's interest in Tiger Airways stood at 52.1% as at March 2014**

Slide 41



## SCOOT-TIGER PARTNERSHIP

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- **Scot and Tiger Airways signed alliance agreement in December 2013**
  - **Submit application to the Competition Commission of Singapore (CCS) for anti-trust immunity**
  - **CCS process expected to take months and include public consultation**

Slide 42



## SCOOT-TIGER PARTNERSHIP



Slide 43



## PORTFOLIO OF BRANDS

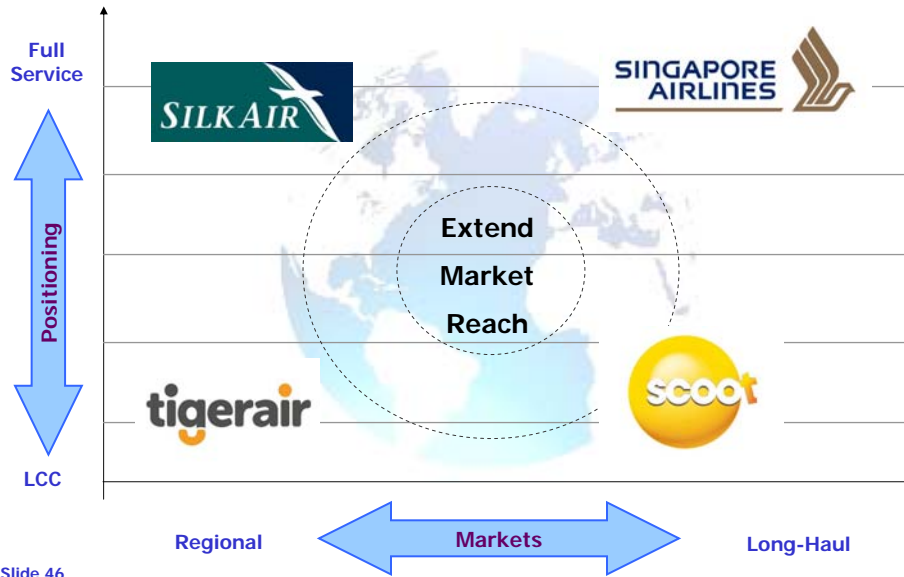


Slide 44

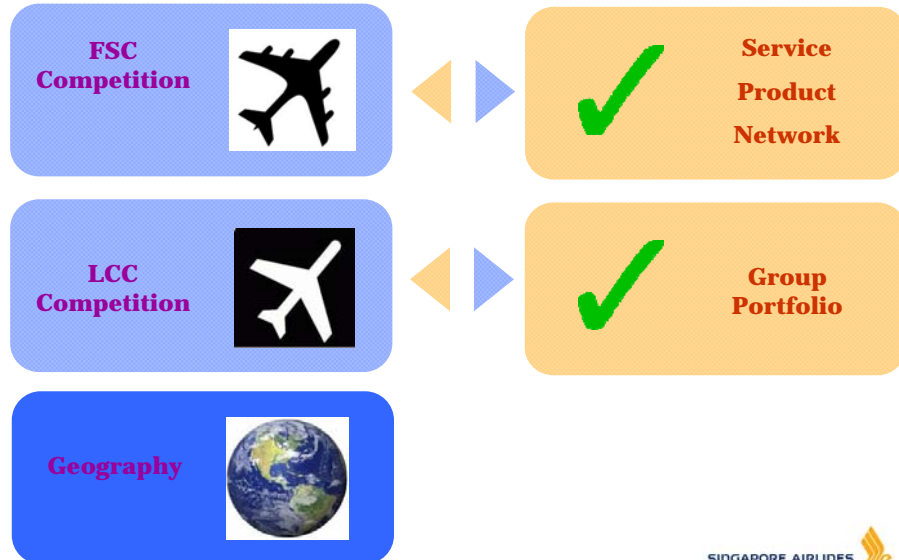
## PORTFOLIO OF BRANDS



## PORTFOLIO OF BRANDS



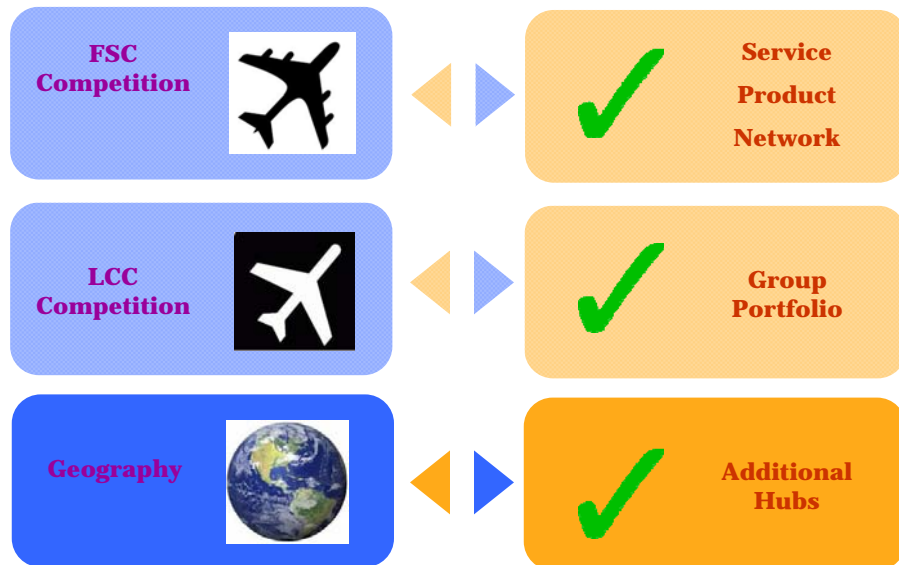
## CHALLENGES



Slide 47

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## CHALLENGES



Slide 48



## TATA-SIA JOINT VENTURE

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- Hub in New Dehli, India
- Tap into the large Indian domestic market
- Fleet of 20 A320s
- No-Objection Certificate granted on 2 April 2014
- Next: AOP from DGCA

Slide 49



## NOKSCOOT JOINT VENTURE

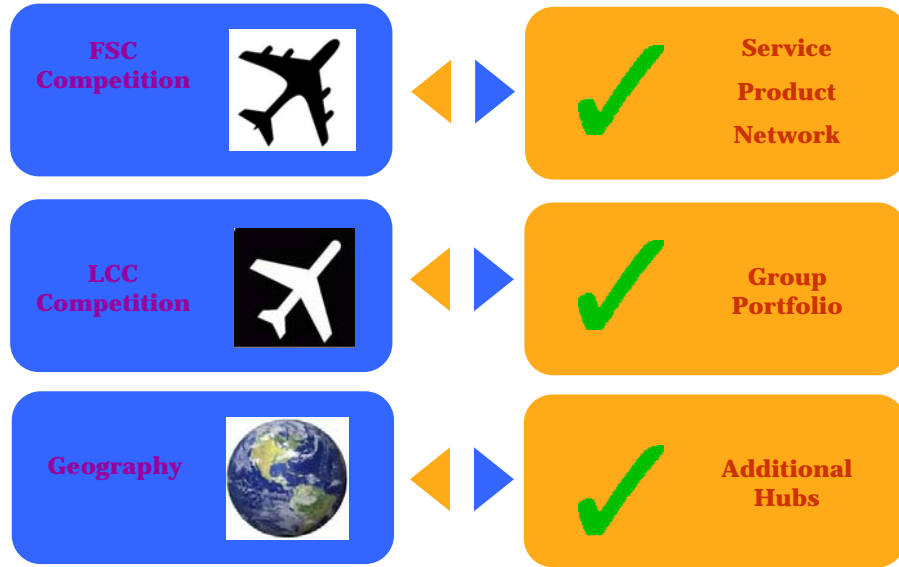
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- Hub in Bangkok, Thailand
- Second home market for Scoot
- Leverage on Nok Air's leading domestic network
- Scoot to provide experience in widebody aircraft operations and international distribution

Slide 50



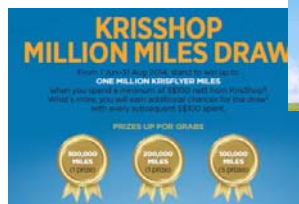
## CHALLENGES



Slide 51

## NEW REVENUE

- Set-up of New Revenue Unit w.e.f 29 July 2013
- Various on-going initiatives
  - Commission-based 3rd party products
  - Inflight & Merchandising
  - Advertising



Slide 52

## NEW VENTURE

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- **Airbus Asia Training Centre**
  - MoU signed to establish flight training JV in Singapore
  - Operations to commence in Dec 2014



Slide 53



*Thank You*