



**Singapore Airlines Group
Analyst/Media Briefing
HALF YEAR FY2013-14 RESULTS**

13 November 2013



**THE PARENT AIRLINE
1H FY2013/14
RESULTS**



THE PARENT AIRLINE COMPANY RESULTS – 2Q & 1H FY13/14

	2Q/13	Better/ (Worse)		1H/13	Better/ (Worse)	
	\$million	\$million	%	\$million	\$million	%
Total Revenue	3,222	81	2.6	6,382	137	2.2
Total Expenditure	3,125	(68)	(2.2)	6,196	(120)	(2.0)
- Fuel Cost	1,280	(39)	(3.2)	2,451	33	1.3
- Fuel Hedging Gain	(44)	30	n.m.	(9)	19	n.m.
- Ex-fuel Cost	1,889	(59)	(3.2)	3,754	(172)	(4.8)
Operating Profit	97	13	15.3	186	17	10.0
Operating Profit Margin (%)	3.0		0.3 pt	2.9		0.2 pt

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THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – 2Q & 1H FY13/14

	2Q/13	% Change	1H/13	% Change
Available Seat-KM (million)	30,910	+3.2	60,918	+3.4
Revenue Pax-KM (million)	25,064	+4.9	48,462	+3.3
Passenger Load Factor (%)	81.1	+1.3 pts	79.6	-

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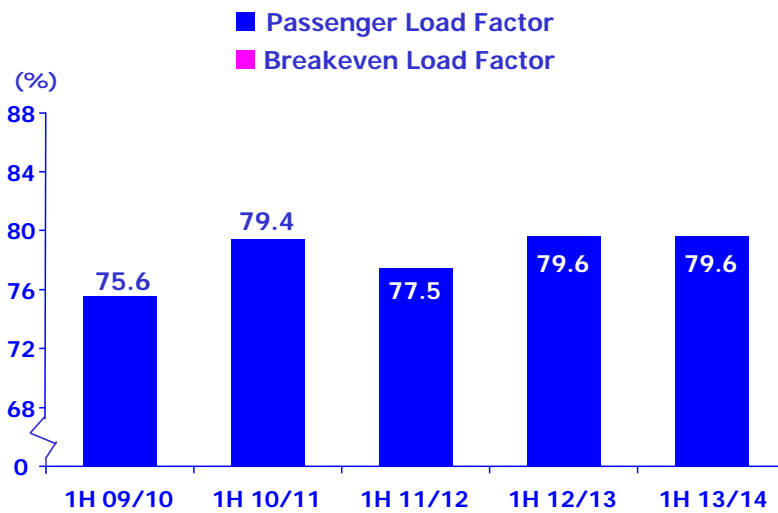
THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – 2Q & 1H FY13/14

	2Q/13	% Change	1H/13	% Change
Passenger Yield (¢/pkm)	11.0	-3.5	11.0	-3.5
Passenger Unit Cost (¢/ask)	9.1	-	9.1	-
Passenger Breakeven Load Factor (%)	82.7	+2.9 pts	82.7	+2.9 pts

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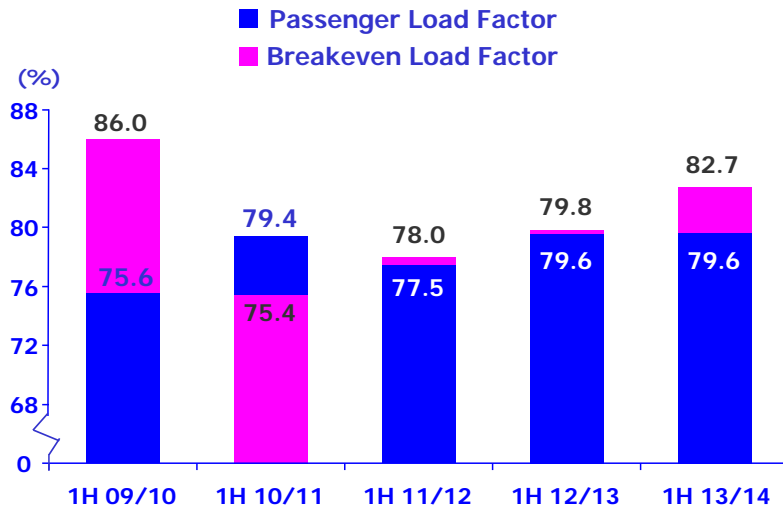
THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE



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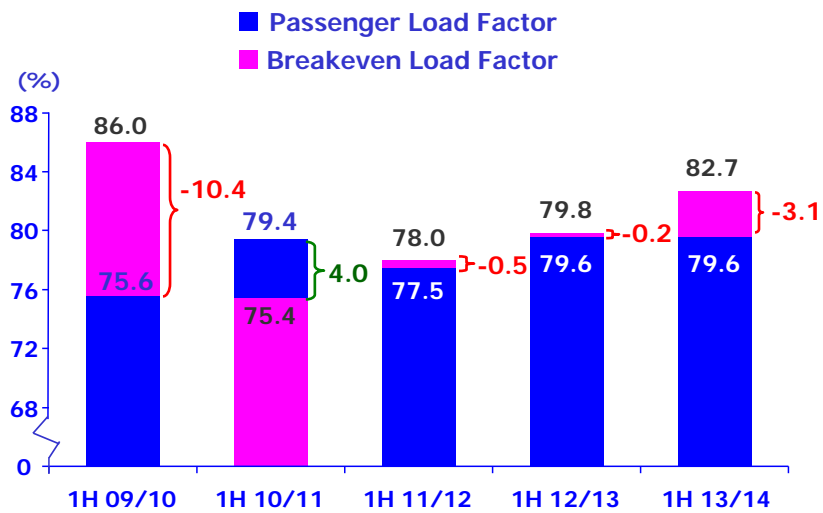
THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE



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THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

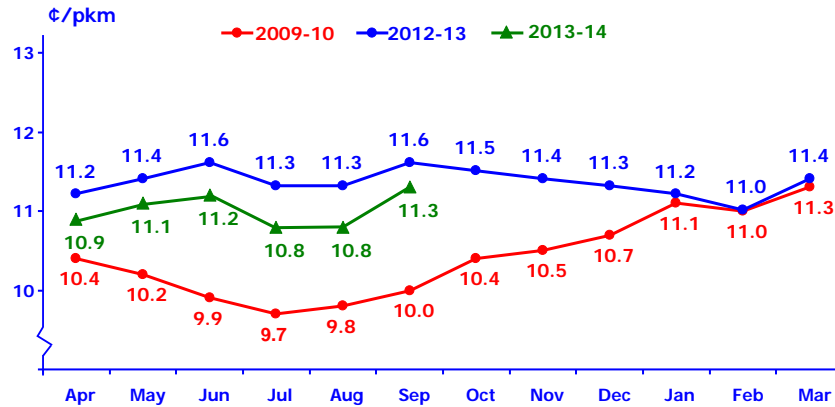


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THE PARENT AIRLINE COMPANY MONTHLY PASSENGER YIELD

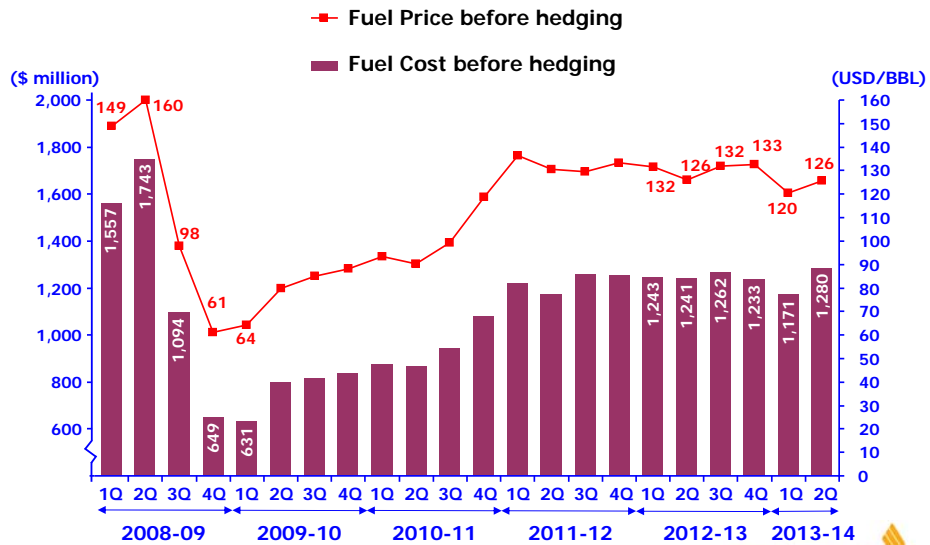
Monthly Pax Yields (Including Fuel Surcharge)



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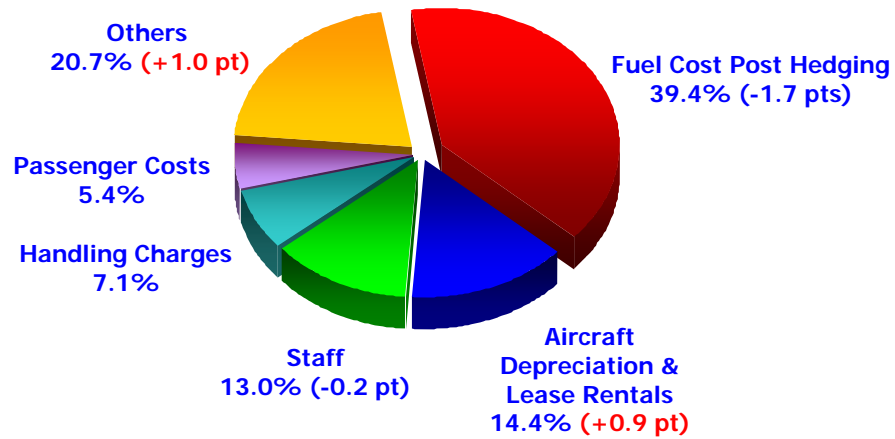
THE PARENT AIRLINE COMPANY FUEL PRICE AND EXPENDITURE - TREND



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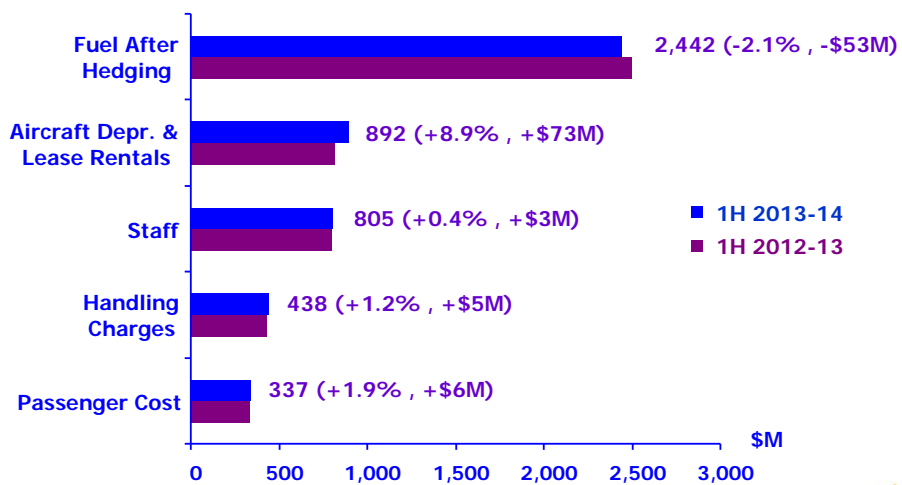
THE PARENT AIRLINE COMPANY COST COMPOSITION – 1H FY13/14



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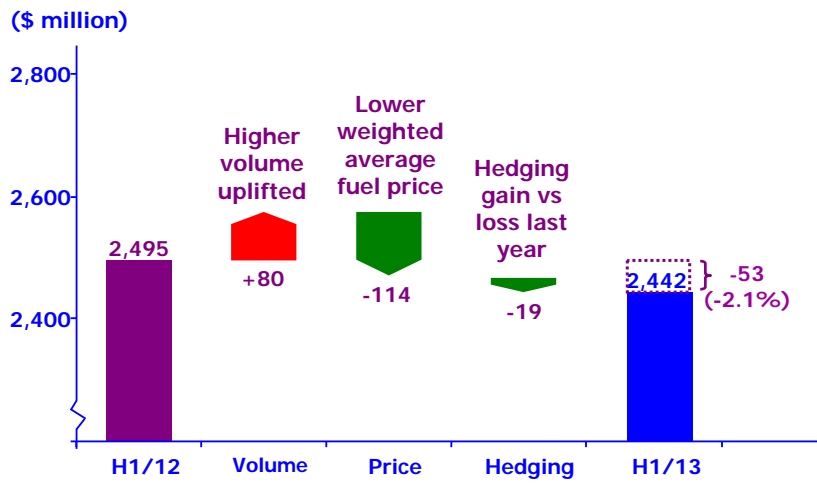
THE PARENT AIRLINE COMPANY TOP 5 EXPENDITURE – 1H FY13/14



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THE PARENT AIRLINE COMPANY FUEL EXPENDITURE – 1H FY13/14



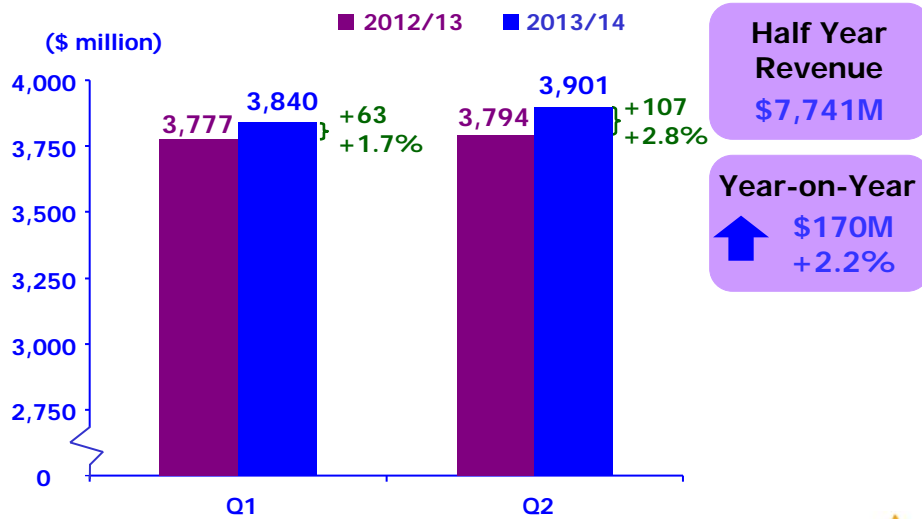
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THE GROUP 1H FY2013/14 RESULTS

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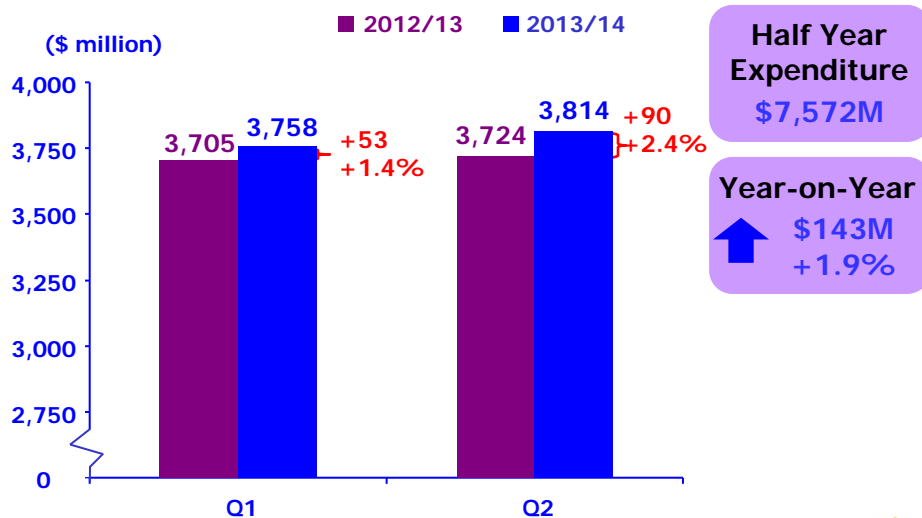
GROUP REVENUE – 1H FY2013/14



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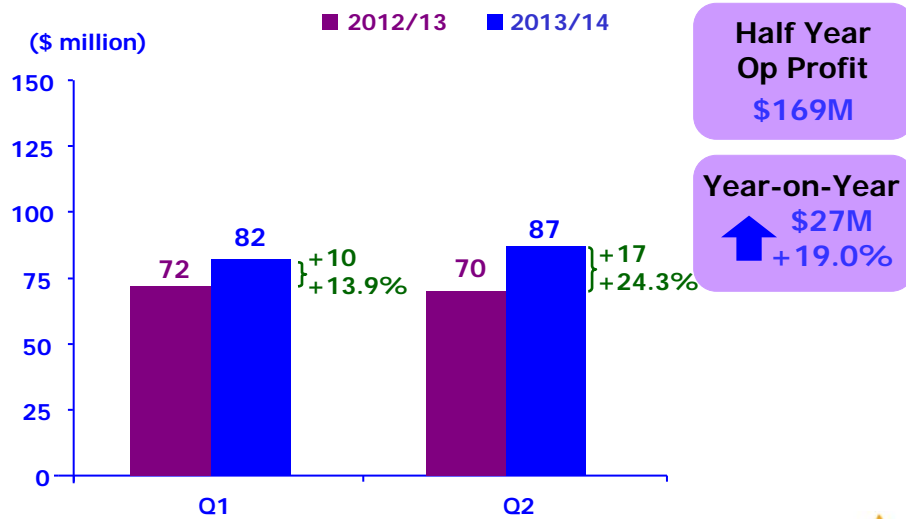
GROUP EXPENDITURE – 1H FY2013/14



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GROUP OPERATING PROFIT – 1H FY2013/14



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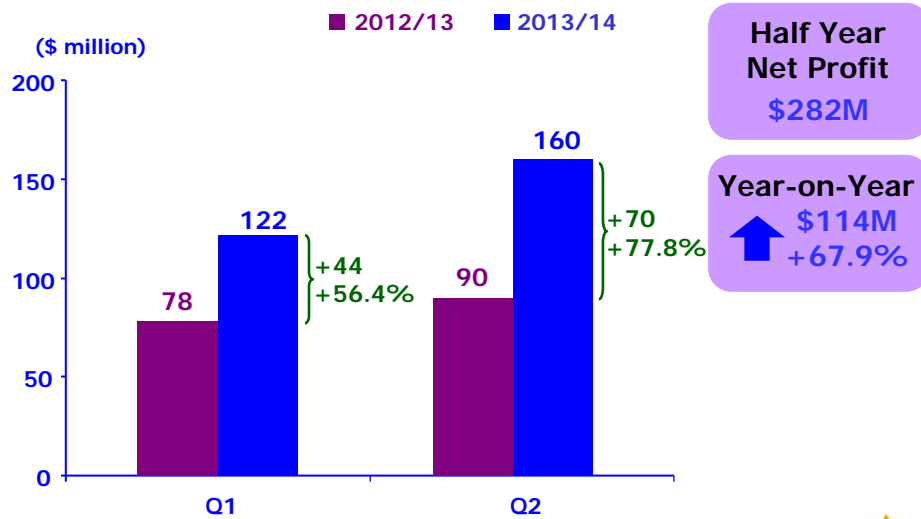
CONTRIBUTION TO GROUP OPERATING PROFIT – 1H FY13/14 (\$ million)

	1H/13	1H/12	Change	% Change
Singapore Airlines	186	169	+ 17	+ 10.1
SIA Engineering	56	66	- 10	- 15.2
SilkAir	22	37	- 15	- 40.5
SIA Cargo	(71)	(99)	+ 28	+ 28.3

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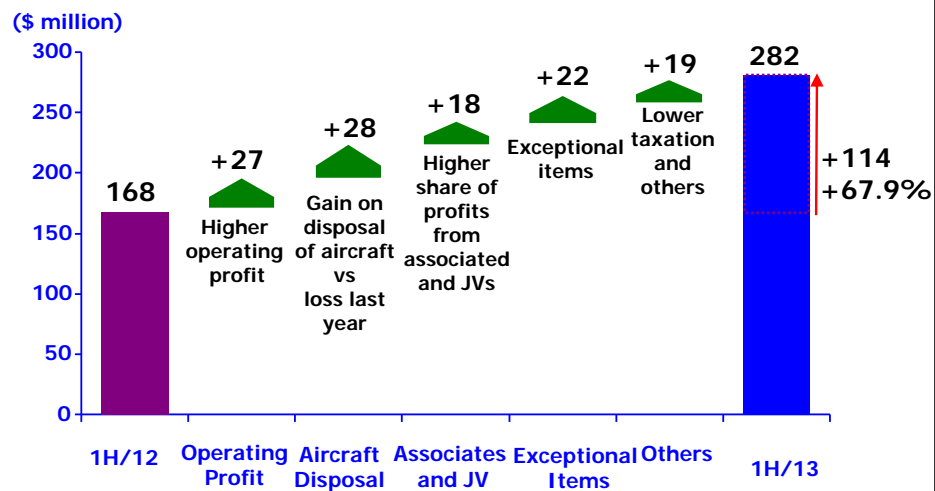
GROUP NET PROFIT – 1H FY2013/14



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GROUP NET PROFIT – 1H FY2013/14



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GROUP RESULTS – 1H FY13/14

	<u>1H/13</u>	<u>1H/12</u>
EBITDAR Per Share (\$)	1.25	1.11
Earnings Per Share (¢)	24.0	14.3
Interim Dividend Per Share (¢)	10.0	6.0
	<u>At 30 Sep 13</u>	<u>At 31 Mar 13</u>
Net Asset Value Per Share (\$)	11.30	11.15

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FLEET DEVELOPMENT - SIA

	<u>No. of Aircraft</u>
Operating Fleet at 30 September 13	103
IN: Delivery of A330-300	+ 2
Delivery of B777-300ER	+ 1
Reinstatement of B777-200ER	+ 2
OUT: Decommissioned B777-200	- 1
Decommissioned A340-500	- 4
Operating Fleet at 31 March 14	<u>103</u>

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FLEET DEVELOPMENT - SLK

	<u>No. of Aircraft</u>
Operating Fleet at 30 September 13	23
IN: Delivery of A320-200	+ 1
Delivery of B737-800	+ 2
OUT: Decommissioned A320-200	- 2
Operating Fleet at 31 March 14	<hr/> 24 <hr/>

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FLEET DEVELOPMENT - SCOOT

	<u>No. of Aircraft</u>
Operating Fleet at 30 September 13	5
IN: Lease of B777-200	+ 1
Operating Fleet at 31 March 14	<hr/> 6 <hr/>

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GROUP CAPITAL EXPENDITURE

	<u>FY14/15</u>	<u>FY15/16</u>	<u>FY16/17</u>	<u>FY17/18</u>	<u>FY18/19</u>
Aircraft	2,250	3,100	2,900	4,050	4,350
Other Assets	200	150	100	150	150
Total	2,450	3,250	3,000	4,200	4,500

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GROUP FUEL HEDGING POSITION

- Percentage hedged
for period Oct 13 to Mar 14
(%) 60
- Avg hedged price
for period Oct 13 to Mar 14
(USD/BBL - Jet Fuel) 118

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BUSINESS OUTLOOK

OUTLOOK

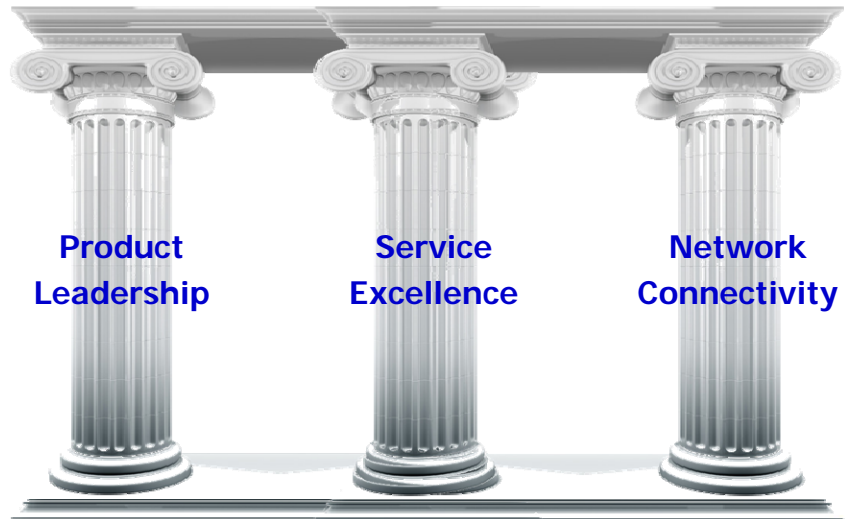
- High and volatile fuel price
- Intense competition
- Uncertain global economy

MEETING THE CHALLENGES

MEETING THE CHALLENGES

- Continued Focus on Three Pillars

FOCUS ON THREE PILLARS



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PRODUCT LEADERSHIP

- Next Generation Cabin Products



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PRODUCT LEADERSHIP

- **New Design Concept for SilverKris Lounge**

Planned improvements to lounges in:

- Sydney
- London
- Hong Kong
- Singapore T3
- Kuala Lumpur
- Manila
- San Francisco
- Singapore T2



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SERVICE EXCELLENCE

- **Customer Experience Management**



- **Using CEM to deliver proactive and personalized service for all touch-points**

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SERVICE EXCELLENCE

- Loyalty Enhancements

PPS CLUB 

KRISFLYER 

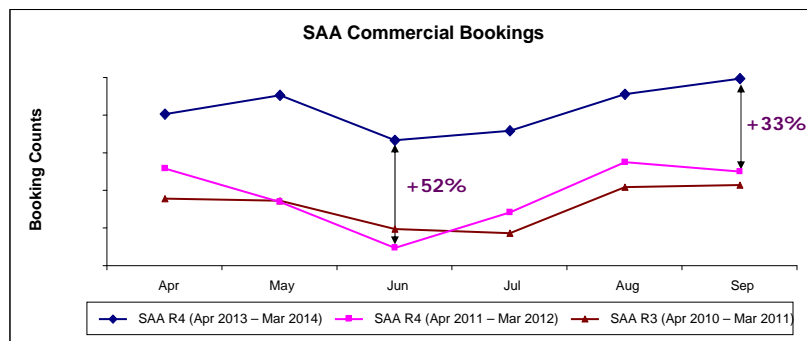
- Enhancement of Reserve Value
- Guaranteed Economy Class booking
- Access to lounges on arrival for Solitaire members
- Pay with KrisFlyer Miles
- Expanded KrisFlyer partnerships

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SERVICE EXCELLENCE

- SAA website improvement



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NETWORK CONNECTIVITY

- Capacity Increases and New Destinations



Projected ASK Growth: **3%**



Projected ASK Growth: **15%**

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NETWORK CONNECTIVITY

- Expanding our network through partnerships



Scandinavian Airlines



深圳航空
Shenzhen Airlines



america

Ethiopian
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australia

As at March 2013

From 2011 to 2013

41% more code share destinations on SQ network

59% increase in SQ marketing flights per week on code share partners

As at September 2013

From 2011 to 2013

55% more code share destinations on SQ network

92% increase in SQ marketing flights per week on code share partners

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NETWORK CONNECTIVITY

- Fleet Development

	SIA	SilkAir	Scoot
Delivered in 1H FY2013-14	4 x A330 2 x B773 ER	1 x A320	1 x B772

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NETWORK CONNECTIVITY

- Fleet Development

	SIA	SilkAir	Scoot
More to join the fleet	10 x A330 (Ongoing) 6 x B773 ER (Ongoing) 70 x A350 (2016 onwards) 5 x A380 (2017 onwards) 30 x A787-10X (2018 onwards)	1 x A320 (Oct 13) 54 x B737 (2014 onwards)	1 x B772 (Oct 13) 20 x B787 (2014 onwards)

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MEETING THE CHALLENGES

- Focus on three pillars
- **Portfolio of Airlines**

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PORTFOLIO OF AIRLINES

- **Portfolio of brands allows us to tap different segments**



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MEETING THE CHALLENGES

- Focus on Three Pillars
- Portfolio of Airlines
- **Tata-SIA JV: Expanding Into New Growth Markets**

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TATA-SIA JV: EXPANDING INTO NEW MARKETS

▪ Strong macro drivers

Rising GDP and Incomes	▪ GDP grew at 8.6% CAGR from 2004-05 to 2010-11 and projected at 6.0% in the next 5 years
Increasing Middle Class	▪ Middle class population expected to grow significantly
Favourable Demographics	▪ Young population
Immense Market Potential	▪ Trips per capita in India still very low (0.04)

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TATA-SIA JV: EXPANDING INTO NEW MARKETS

- What it means for SIA:
 - Direct participation in a huge growth market
 - Diversify traffic base
 - Commercial synergies between Tata-SIA JV and SIA

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MEETING THE CHALLENGES

- Focus on Three Pillars
- Portfolio of Airlines
- Tata-SIA JV: Expanding Into New Growth Markets
- Pursue New Opportunities

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Thank You

