



SIA ANALYST/MEDIA BRIEFING
1H FY2014/15 Results
07 November 2014

THE PARENT AIRLINE

1H FY2014/15

RESULTS



THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – 2Q & 1H FY14/15

	2Q/14	% Change	1H/14	% Change
Available Seat-KM (million)	30,562	-1.1	60,825	-0.2
Revenue Pax-KM (million)	25,016	-0.2	48,516	+0.1
Passenger Load Factor (%)	81.9	+0.8 pt	79.8	+0.2 pt

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THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – 2Q & 1H FY14/15

	2Q/14	% Change	1H/14	% Change
Passenger Yield (¢/pkm)	10.9	-0.9	10.9	-0.9
Passenger Unit Cost (¢/ask)	9.0	-1.1	8.8	-3.3
Passenger Unit Ex-Fuel Cost (¢/ask)	5.1	-	4.9	-3.9
Passenger Breakeven Load Factor (%)	82.6	-0.1 pt	80.7	-2.0 pts

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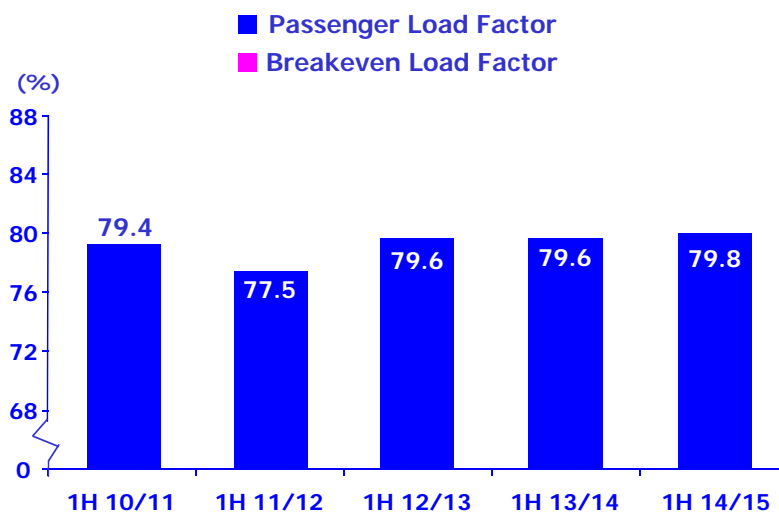
THE PARENT AIRLINE COMPANY RESULTS – 2Q & 1H FY14/15

	2Q/14	Better/ (Worse)		1H/14	Better/ (Worse)	
	\$million	\$million	%	\$million	\$million	%
Total Revenue	3,222	-	-	6,231	(151)	(2.4)
Total Expenditure	3,084	41	1.3	6,048	148	2.4
- Fuel Cost	1,175	105	8.3	2,353	98	4.0
- Fuel Hedging Loss/(Gain)	18	(62)	n.m.	(10)	1	7.9
- Ex-fuel Cost	1,891	(2)	(0.1)	3,705	49	1.3
Operating Profit	138	41	42	183	(3)	(1.6)
Operating Profit Margin (%)	4.3	1.3 pts		2.9	-	

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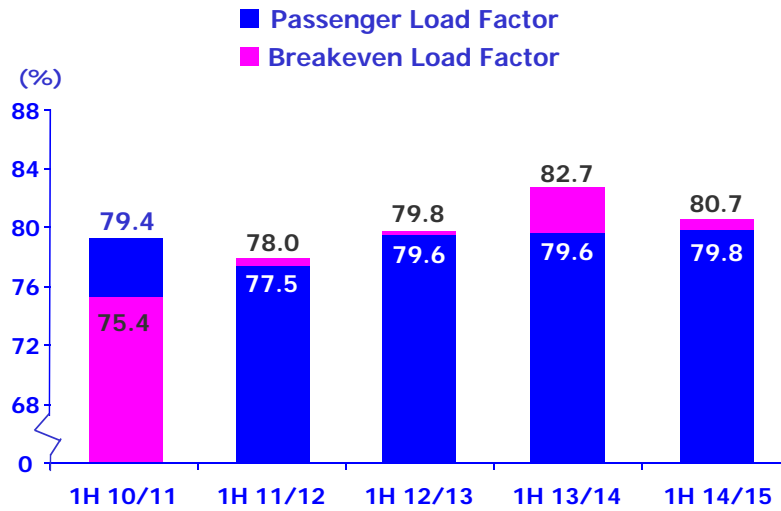
THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE



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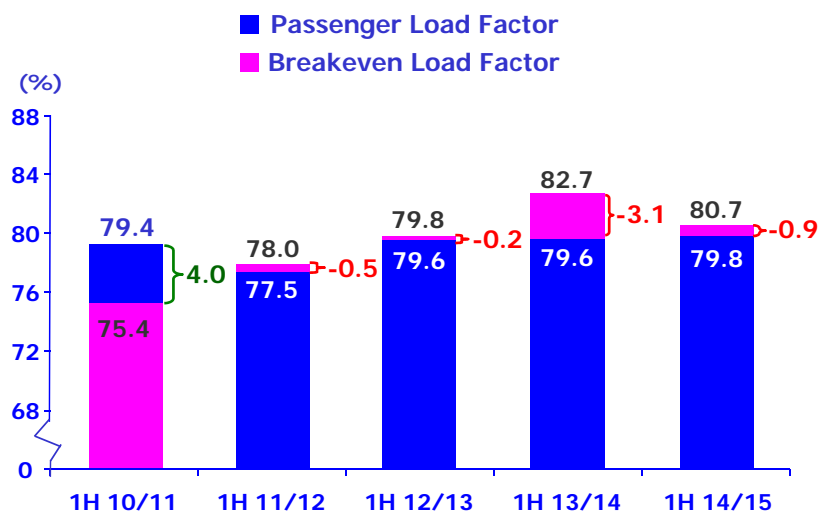
THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE



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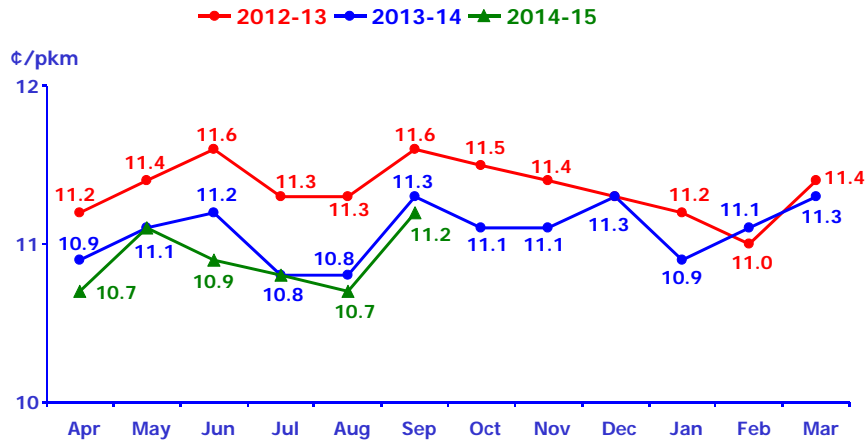
THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE



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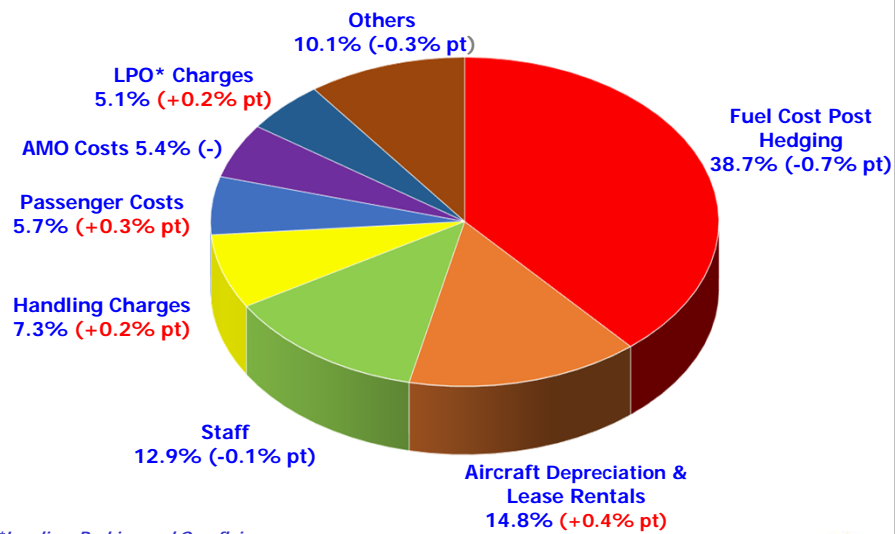
THE PARENT AIRLINE COMPANY MONTHLY PASSENGER YIELD



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THE PARENT AIRLINE COMPANY COST COMPOSITION – 1H FY14/15



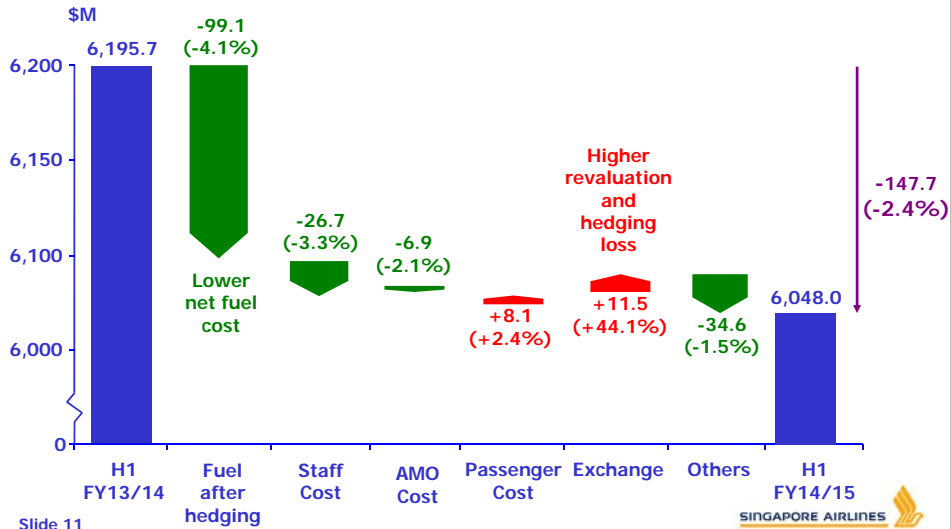
*Landing, Parking and Overflying

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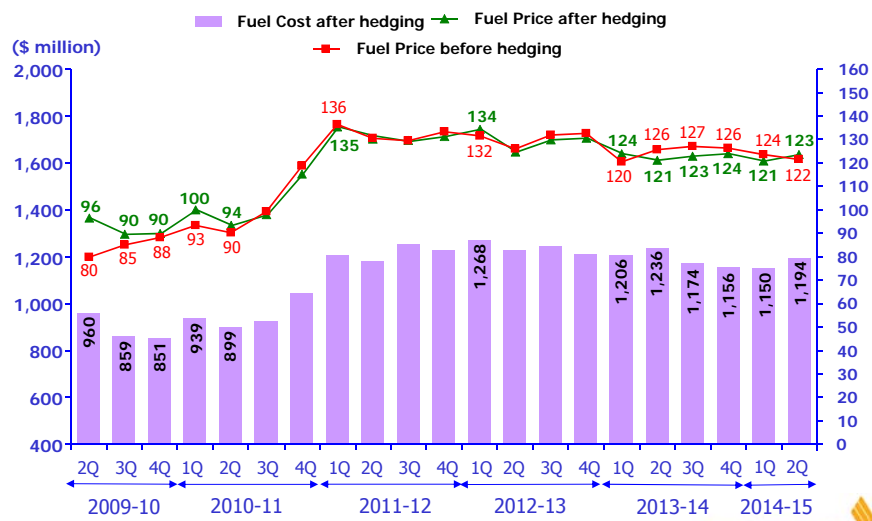
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THE PARENT AIRLINE COMPANY TOP EXPENDITURE ITEMS – 1H FY14/15

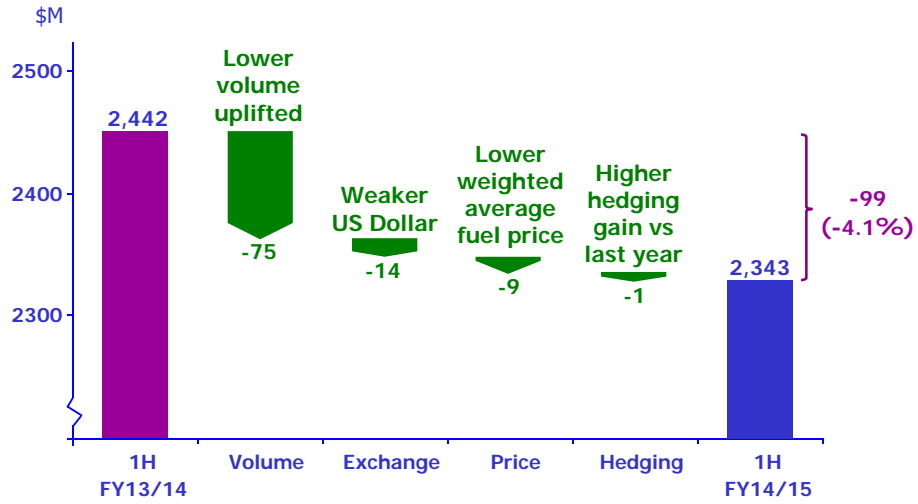
Composition of decrease in Operating Expenditure



THE PARENT AIRLINE COMPANY FUEL PRICE AND EXPENDITURE - TREND



THE PARENT AIRLINE COMPANY FUEL EXPENDITURE – 1H FY14/15



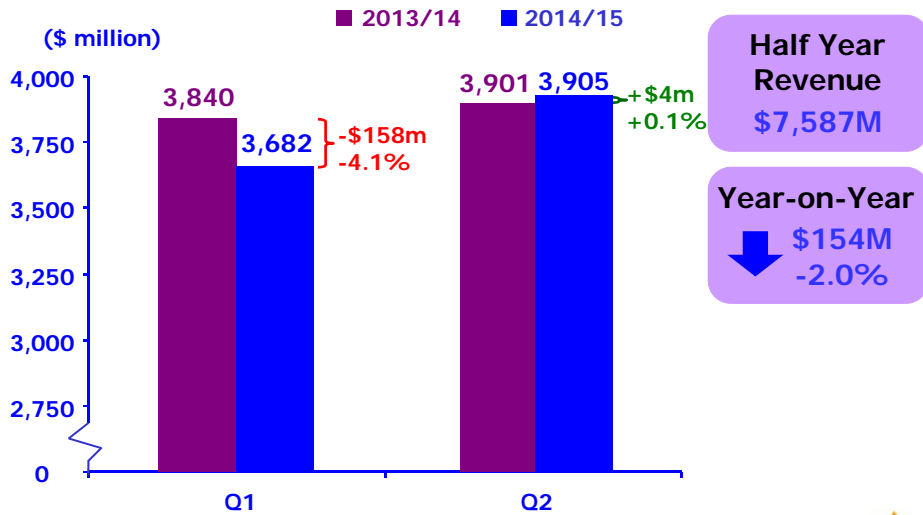
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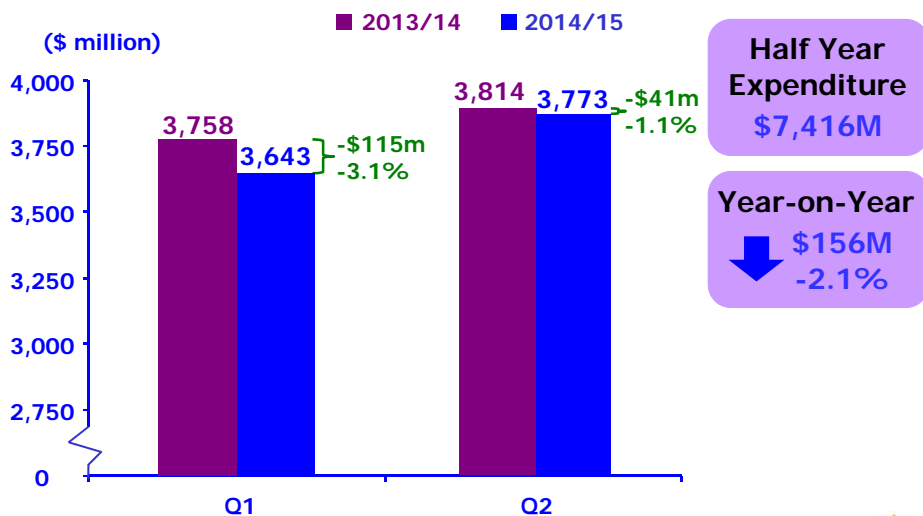
THE GROUP 1H FY2014/15 RESULTS

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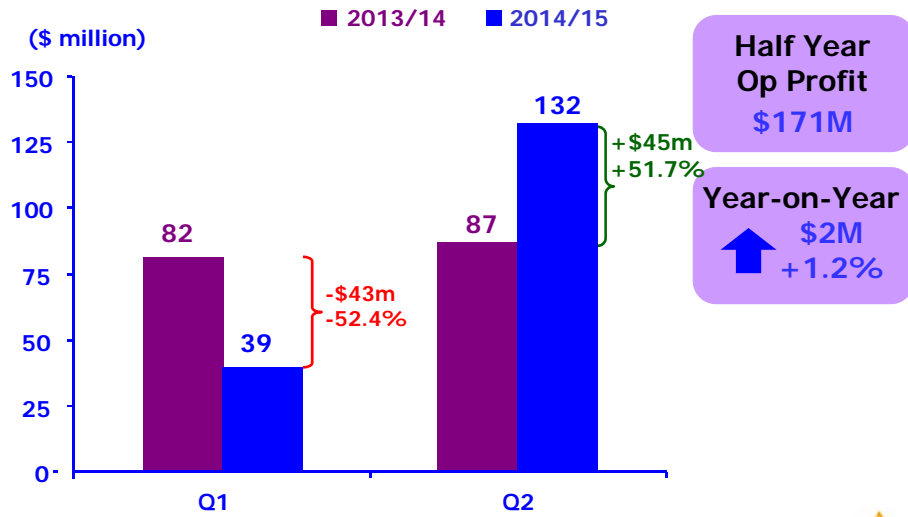
GROUP REVENUE – 1H FY2014/15



GROUP EXPENDITURE – 1H FY2014/15



GROUP OPERATING PROFIT – 1H FY2014/15



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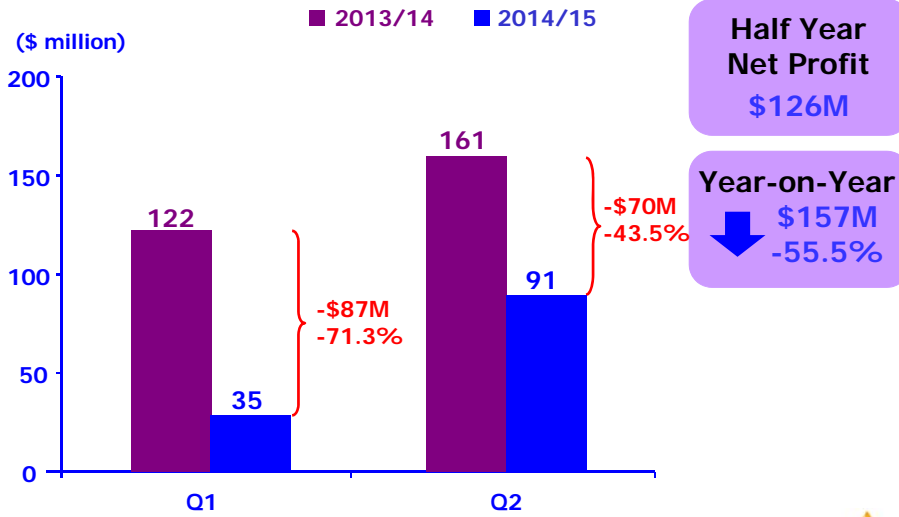
CONTRIBUTION TO GROUP OPERATING PROFIT – 1H FY14/15 (\$ million)

	1H 1415	1H 13/14	Change	% Change
Singapore Airlines	183	186	- 3	- 1.6
SIA Engineering	37	56	- 19	- 33.9
SilkAir	5	22	- 17	- 77.3
SIA Cargo	(34)	(71)	+ 37	+ 52.1

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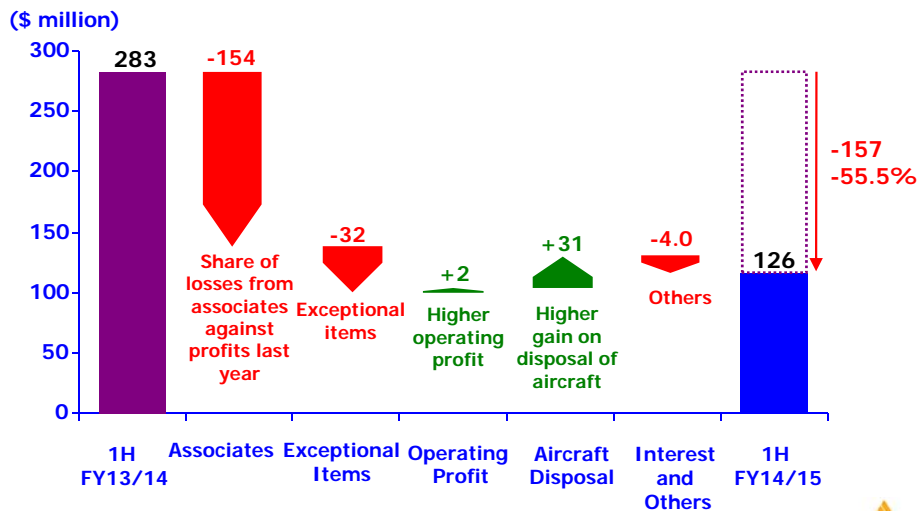
GROUP NET PROFIT – 1H FY2014/15



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GROUP NET PROFIT – 1H FY2014/15



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GROUP RESULTS – 1H FY2014/15

	<u>1H 1415</u>	<u>1H 1314</u>
EBITDAR Per Share (\$)	1.09	1.25
Earnings Per Share (¢)	10.7	24.0
Interim Dividend Per Share (¢)	5.0	10.0
	<u>At 30 Sep 14</u>	<u>At 31 Mar 14</u>
Net Asset Value Per Share (\$)	10.96	11.26

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SINGAPORE AIRLINES 

FLEET DEVELOPMENT - SIA

	<u>No. of Aircraft</u>
Operating Fleet at 30 September 14	105
IN: Delivery of A330-300	+ 2
Delivery of B777-300ER	+ 3
OUT: Decommissioned B777-200	- 4
Decommissioned A330-300	- 1
Operating Fleet at 31 March 15	<u>105</u>

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SINGAPORE AIRLINES 

FLEET DEVELOPMENT - SLK

	<u>No. of Aircraft</u>
Operating Fleet at 30 September 14	26
IN: Delivery of B737-800	+ 3
OUT: Decommissioned A320-200	- 1
Decommissioned A319-100	- 1
Operating Fleet at 31 March 15	<u>27</u>

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FLEET DEVELOPMENT - SCOOT

	<u>No. of Aircraft</u>
Operating Fleet at 30 September 14	6
IN: Delivery of B787-9	+ 2
OUT: Decommissioned B777-200	- 2
Operating Fleet at 31 March 15	<u>6</u>

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GROUP CAPITAL EXPENDITURE

	<u>FY15/16</u>	<u>FY16/17</u>	<u>FY17/18</u>	<u>FY18/19</u>	<u>FY19/20</u>
Aircraft	2,750	2,900	4,150	4,200	3,800
Other Assets	200	200	150	100	100
Total	2,950	3,100	4,300	4,300	3,900

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GROUP FUEL HEDGING POSITION

<u>For the period Oct 14 to Mar 15</u>	Jet Fuel	Brent
Percentage hedged (%)	65.3	0.8
Average hedged price (USD/BBL - Jet Fuel)	116	100

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BUSINESS OUTLOOK FOR FY2014/15

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OUTLOOK

- Intense competition
- Geopolitical factors
- Economic risks

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MEETING THE CHALLENGES

CHALLENGES



NETWORK CONNECTIVITY

■ SilkAir

- Projected capacity growth of 7% for FY14-15 over FY13-14
- New destinations & frequency increase for existing destinations
- 4 new destinations: Kalibo, Mandalay, Hangzhou, Bali



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NETWORK CONNECTIVITY

■ Air New Zealand

- SQ – NZ alliance to launch on 6 Jan 2015
- NZ to operate daily AKL-SIN vv on B772
- SQ to operate daily SIN-AKL vv on A380 and daily SIN-CHC vv on B772
- 20% capacity increase between Singapore and New Zealand

■ Turkish Airlines

- Major expansion of codeshare ties commencing May 14
- Connecting passengers between SQ and TK increased more than 13,000 in the period Jun 14 – Sep 14, year-on-year

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NETWORK CONNECTIVITY

Codesharing enables SQ to expand its network via inorganic growth



	SQ Operations	SQ Codeshare on Partner Carriers
		As at Sep14
Destinations	63	208
Weekly flight segments	1,594	6,514

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FFP DEVELOPMENT

- SIA – Virgin Australia announced World's First Loyalty Programme Conversion on 24 Sep 2014
- Exclusive to the two airlines
- Gives members greater access to upgrades and reward seats across combined international and domestic network

 velocity
frequent flyer

 KRISFLYER 

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FFP DEVELOPMENT

■ KrisFlyer Spree

- Launched 19 Jun 2014
- Online platform where members can earn miles when they shop
- Attract new KF members and increase engagement and benefits to existing ones



■ Pay with KrisFlyer Miles

- Members are able to use miles to pay for all or part of their commercial airfares, fuel surcharge, and fees.
- Effective Aug 2014, miles can be used to pay for preferred seats



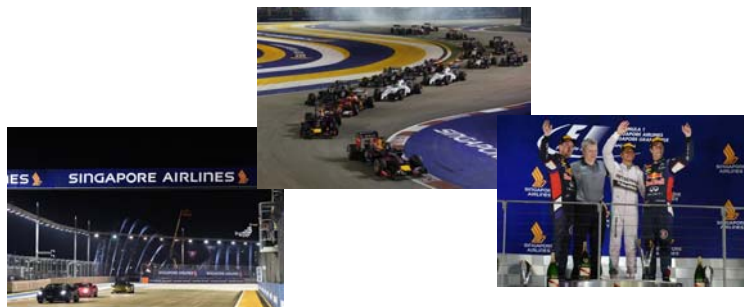
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- Minimum miles level reduced from 5,000 to 3,000



BRANDING INITIATIVES

- Projecting the SIA Brand to a global audience through sponsorships
 - 2014 Formula 1 Singapore Airlines Singapore Grand Prix
 - 2014 WTA Finals Singapore

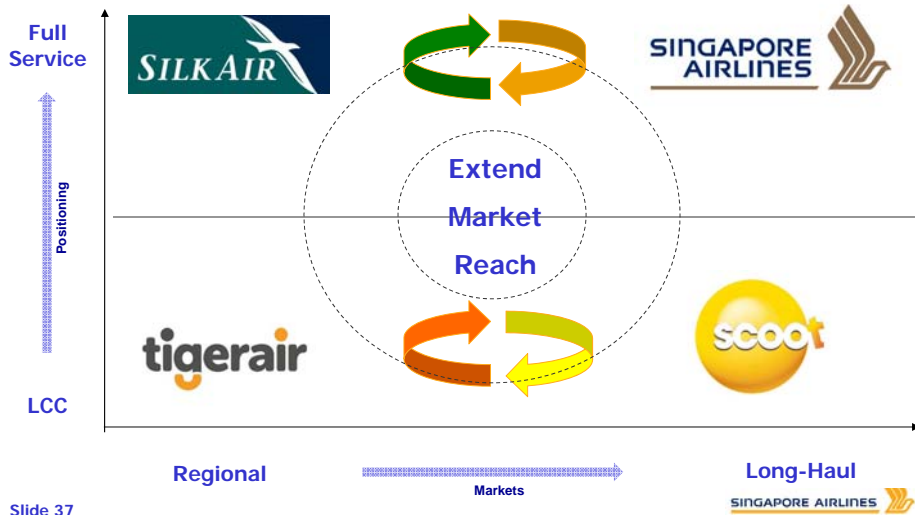


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SIA GROUP PORTFOLIO

The Group's portfolio of brands extends its market reach



SIA GROUP PORTFOLIO

Gaining Travellers' Mindshare



SIA GROUP PORTFOLIO

LCC participation as an engine of growth

- Strong LCC growth in Asia Pacific

Asia Pacific	5-year CAGR* (2009 – 2013)
Full Service Carriers	+6%
Low Cost Carriers	+18%

- Further growth potential

Region	Market Share* of LCCs (January – August 2014)
Europe	42%
United States	31%
Asia Pacific	26%
Singapore	30%

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*Source: Diio Mi, CAPA

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SIA GROUP PORTFOLIO

A short-haul LCC platform is essential

- Traffic growth in Singapore has been driven by transfer traffic

From/To Singapore	YoY Growth*
Point to Point Traffic	3.4%
Transfer Traffic	6.1%

- FSC platform

- SQ/MI synergy
- 50% increase in SQ/MI connecting traffic in last three years
- 60% of MI traffic is connecting SQ



- LCC platform

- Scoot-Tiger ATI
- Mutually beneficial cooperation between a short haul LCC and Scoot
- Tiger Airways remains the most viable short-haul LCC platform for the Group



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TIGER AIRWAYS

Tiger Airways is entering a rebuilding phase

- Unprofitable overseas subsidiaries have been disposed of
- Capacity overhang has been addressed
- Refocus on Singapore operations
- Commercial cooperation with Scoot - with ATI - will bring clear benefits to both Tiger Airways and Scoot

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TIGER AIRWAYS

SIA's stake in Tiger Airways

- Tiger Airways needs to repair balance sheet
 - SIA providing support
- To support the increased investment in Tiger Airways, SIA will require
 - Greater influence over Tiger Airways' development
 - Greater alignment of interests
 - Therefore, stepping up to controlling stake
- For Tiger Airways to grow, it would need capabilities of SIA Group
 - Economies of scale
 - Network connectivity and distribution

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SCOOT

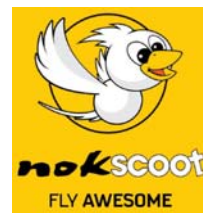
- Passed 3 million passenger milestone in Jul 2014
- Commence renewal of fleet from end of 2014 with first delivery of B787
- 13 destinations in eight countries or territories

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NOKSCOOT JOINT VENTURE

- LCC based in Don Mueang International Airport, Bangkok
- Second home market for Scoot
- Fleet of B777s
- Milestones:
 - Brand Launch on 8 Sep 2014
 - Air Transport Service License granted on 8 Sep 2014
 - Air Operator Certificate received on 30 Oct 2014



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TATA-SIA JOINT VENTURE

- FSC based in New Delhi, India
- Tap into the large Indian market
- Fleet of 20 A320s
- Milestones:
 - No-Objection Certificate granted on 02 Apr 2014
 - Brand Launch on 11 Aug 2014
 - Arrival of livery-painted Aircraft on 15 Oct 2014
 - Next: Air Operator's Permit



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NEW VENTURE

- Airbus Asia Training Centre
 - Leverage strengths of SIA and Airbus to provide pilot training to the region
 - Capitalise on strong delivery streams of Airbus aircraft to the region
 - Milestones:
 - Signed MOU in Feb 2014
 - Signed JV Agreement in Aug 2014
 - Next: Prepare for operational launch by early 2015

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