



**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

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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

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THE PARENT AIRLINE COMPANY RESULTS – FY2013/14

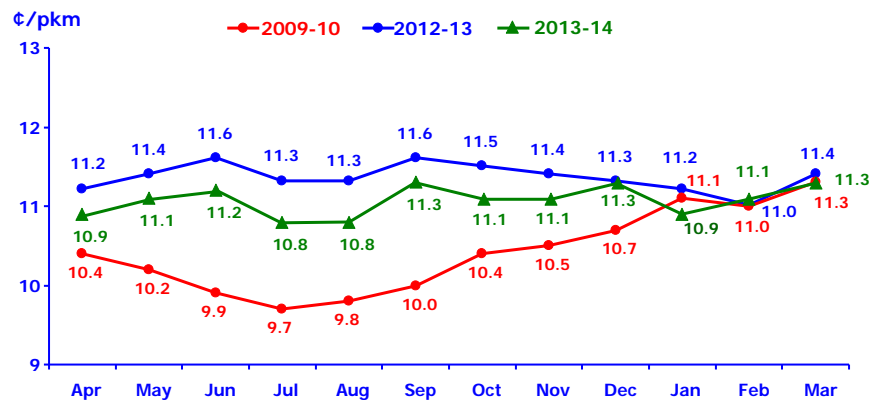
	4Q/13 \$million	Better/ (Worse) \$million	2013/14 \$million	Better/ (Worse) \$million
Total Revenue	2,948	(51)	12,480	93
Total Expenditure	3,008	60	12,224	(24)
- Fuel Cost	1,180	53	4,844	135
- Fuel Hedging Gain	(23)	3	(71)	43
- Ex-fuel Cost	1,851	4	7,451	(202)
Operating (Loss)/Profit	(60)	9	256	69
Operating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

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THE PARENT AIRLINE COMPANY - PASSENGER YIELD

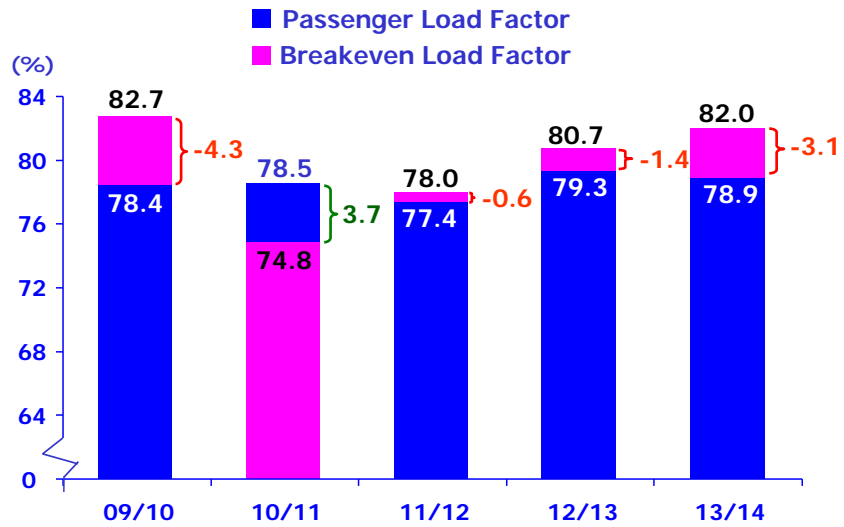
Monthly Pax Yields (Including Fuel Surcharge)



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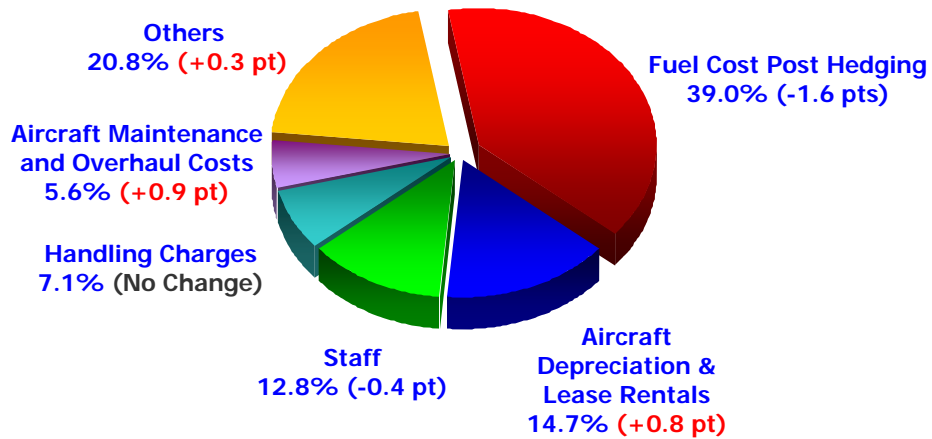
THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE



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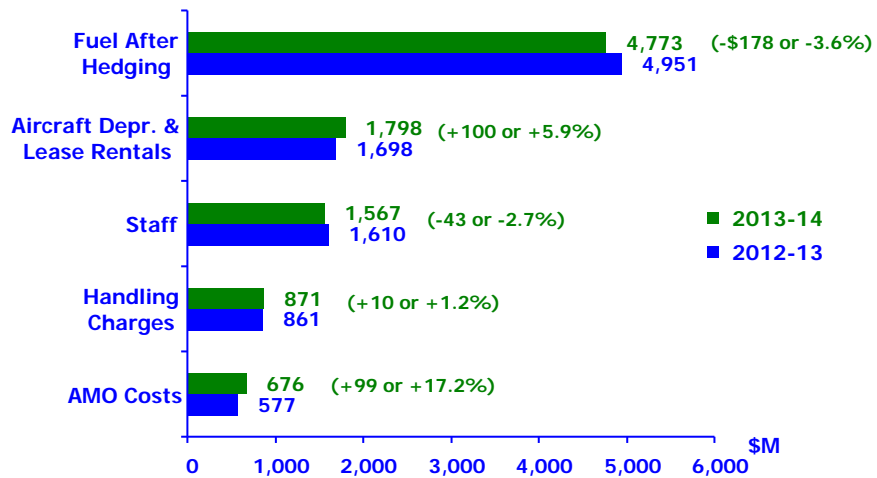
THE PARENT AIRLINE COMPANY COST COMPOSITION – FY2013/14



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THE PARENT AIRLINE COMPANY TOP 5 EXPENDITURE – FY2013/14

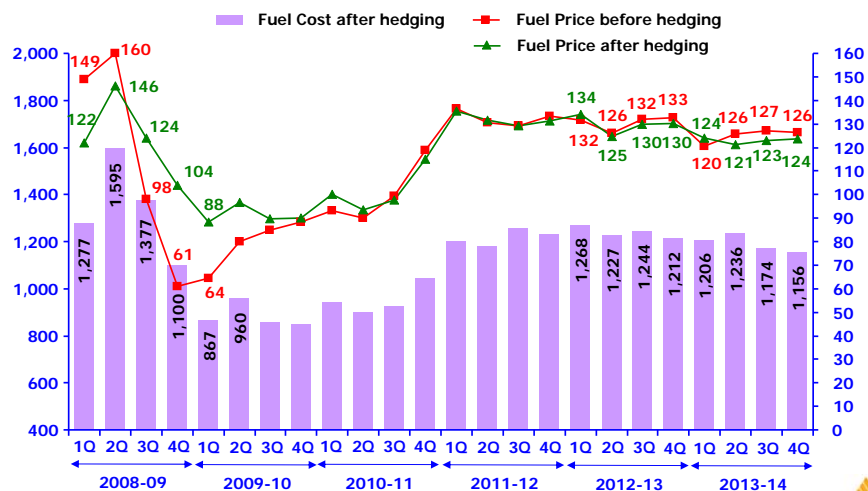


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THE PARENT AIRLINE COMPANY FUEL PRICE AND EXPENDITURE - TREND

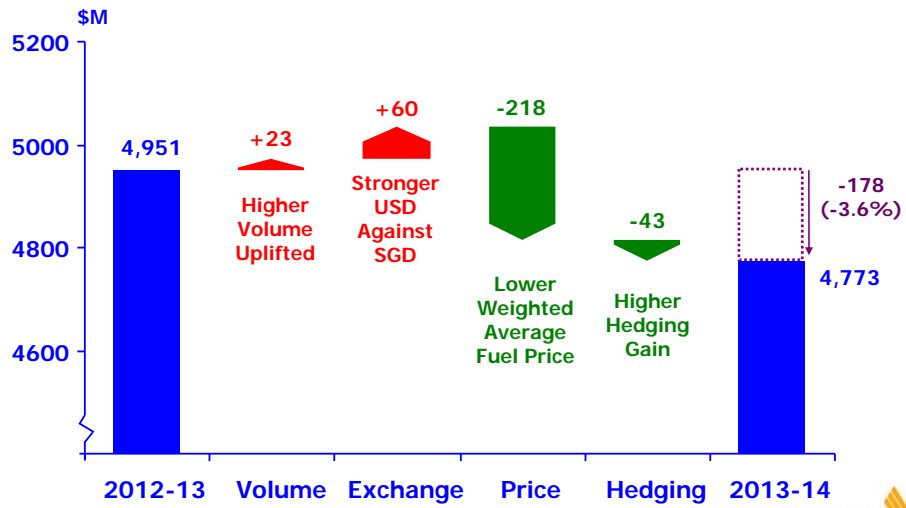
Fuel Price After Hedging



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THE PARENT AIRLINE COMPANY FUEL EXPENDITURE – FY13/14



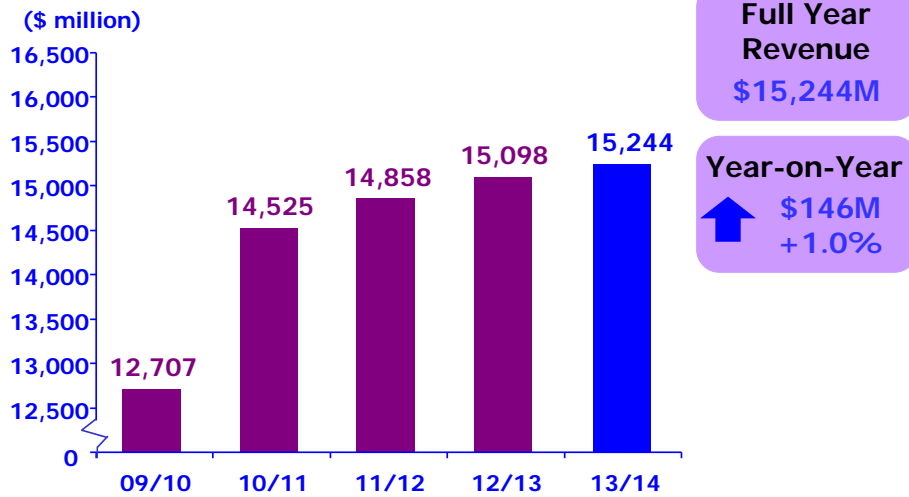
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THE GROUP FY2013/14 RESULTS

SINGAPORE AIRLINES 

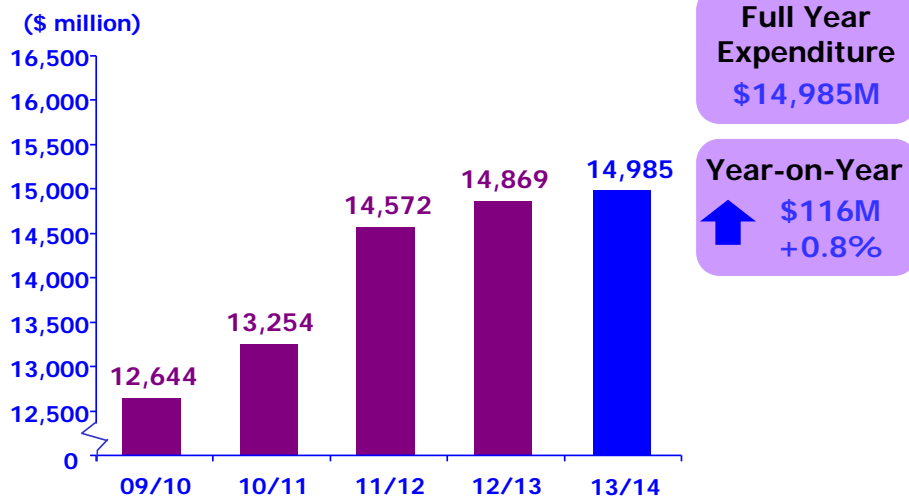
GROUP REVENUE – FY2013/14



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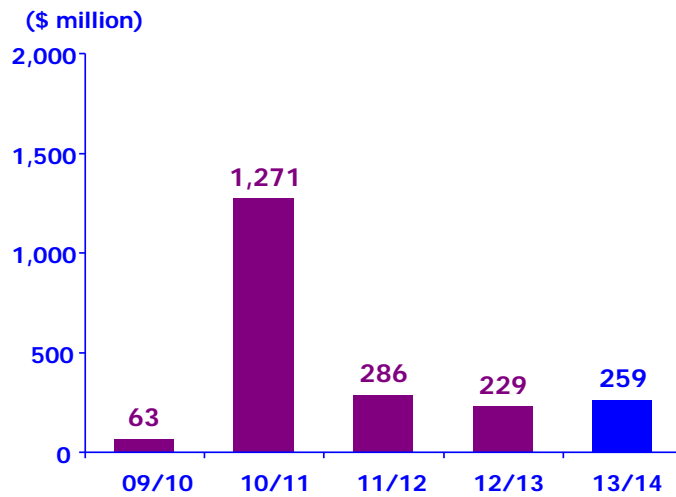
GROUP EXPENDITURE – FY2013/14



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SINGAPORE AIRLINES 

GROUP OPERATING PROFIT – FY2013/14



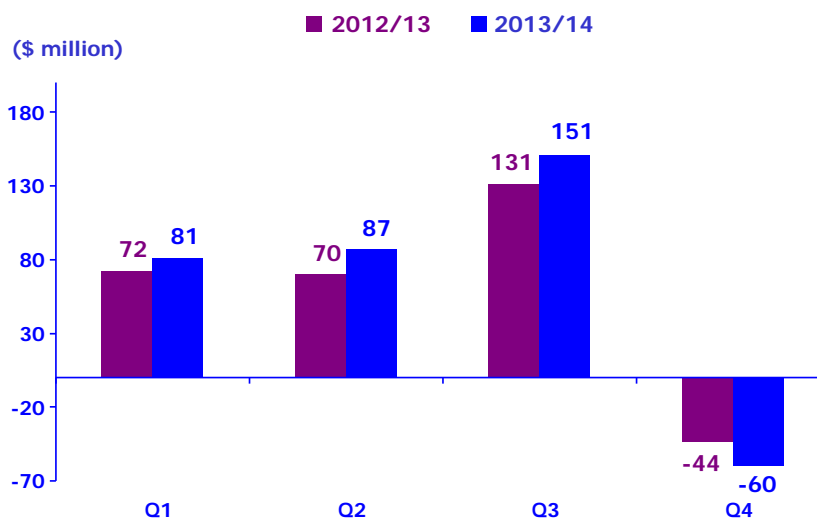
**Full Year
Op Profit**
\$259M

Year-on-Year
↑ \$30M
+13.1%

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SINGAPORE AIRLINES 

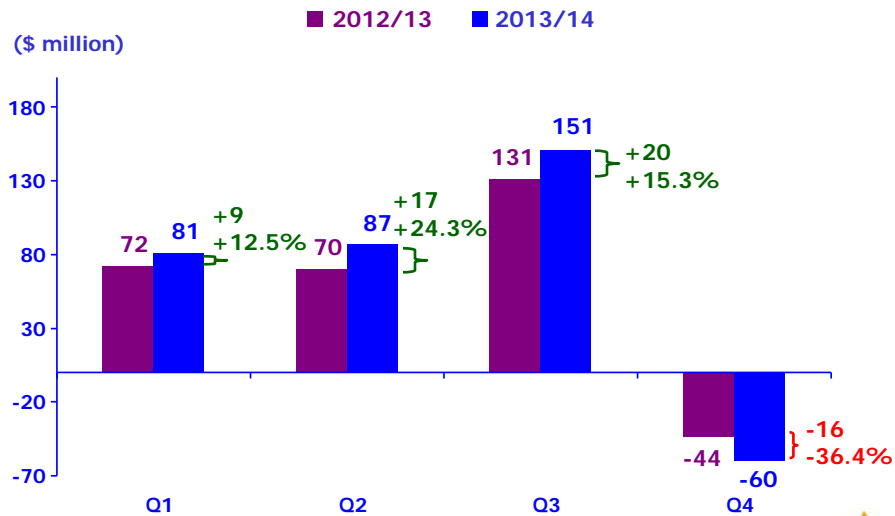
GROUP OPERATING PROFIT – FY2013/14



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GROUP OPERATING PROFIT – FY2013/14



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SINGAPORE AIRLINES 

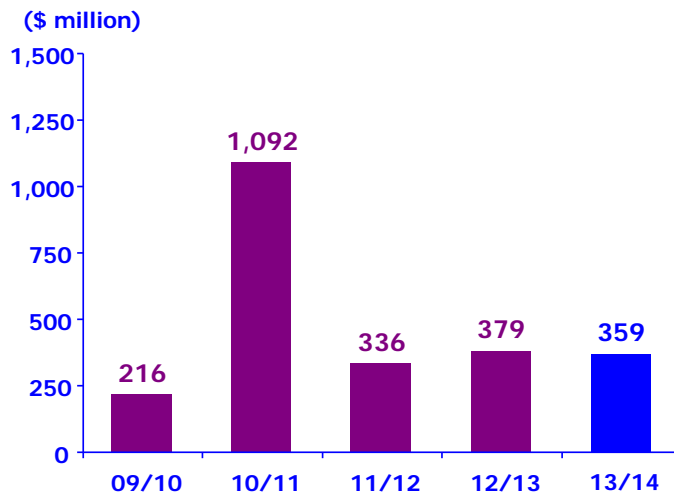
CONTRIBUTION TO GROUP OPERATING PROFIT – FY2013/14 (\$ million)

	<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

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SINGAPORE AIRLINES 

GROUP NET PROFIT – FY2013/14



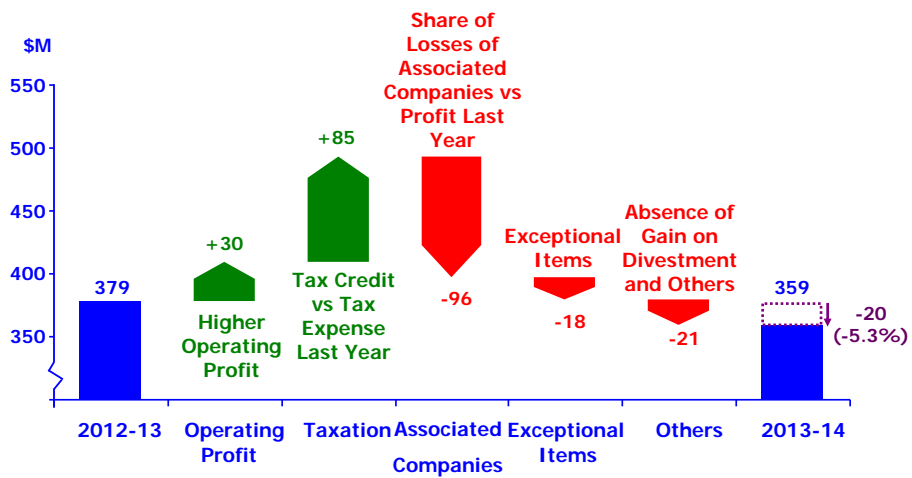
**Full Year
Net Profit**
\$359M

Year-on-Year
↓ -\$20M
↓ -5.3%

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GROUP NET PROFIT – FY2013/14



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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

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SINGAPORE AIRLINES 

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>

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SINGAPORE AIRLINES 

FLEET DEVELOPMENT - SLK

	<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>

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FLEET DEVELOPMENT - SCOOT

	<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>

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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	2,100	3,100	2,900	4,150	4,250
Other Assets	200	200	150	150	150
Total	2,300	3,300	3,050	4,300	4,400

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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

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BUSINESS OUTLOOK FOR FY2014/15

OUTLOOK

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

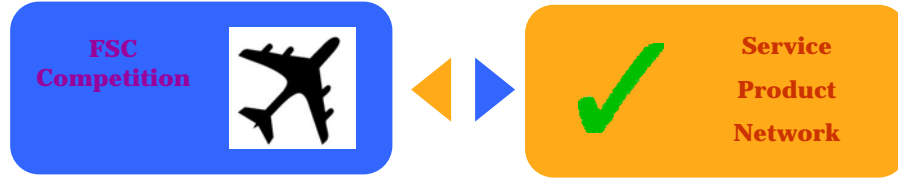
MEETING THE CHALLENGES

CHALLENGES

**FSC
Competition**



CHALLENGES



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SINGAPORE AIRLINES 

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

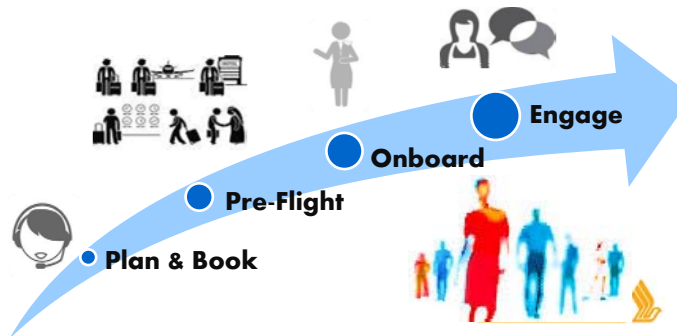
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SINGAPORE AIRLINES 

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



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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

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SINGAPORE AIRLINES 

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



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SINGAPORE AIRLINES 

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**



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SINGAPORE AIRLINES 

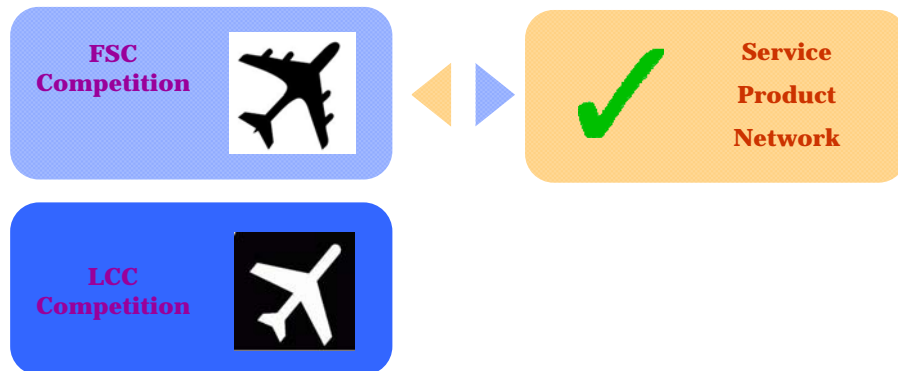
PRODUCT LEADERSHIP

**Premium Economy
Class to be launched
in 2nd half 2015**

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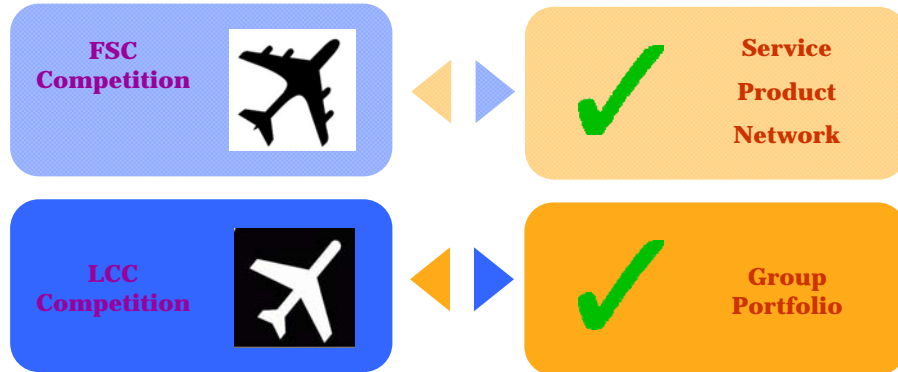
CHALLENGES



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SINGAPORE AIRLINES 

CHALLENGES



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SCOOT

- 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

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Tiger Airways

- **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**

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SCOOT-TIGER PARTNERSHIP

- **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**

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SCOOT-TIGER PARTNERSHIP



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PORTFOLIO OF BRANDS

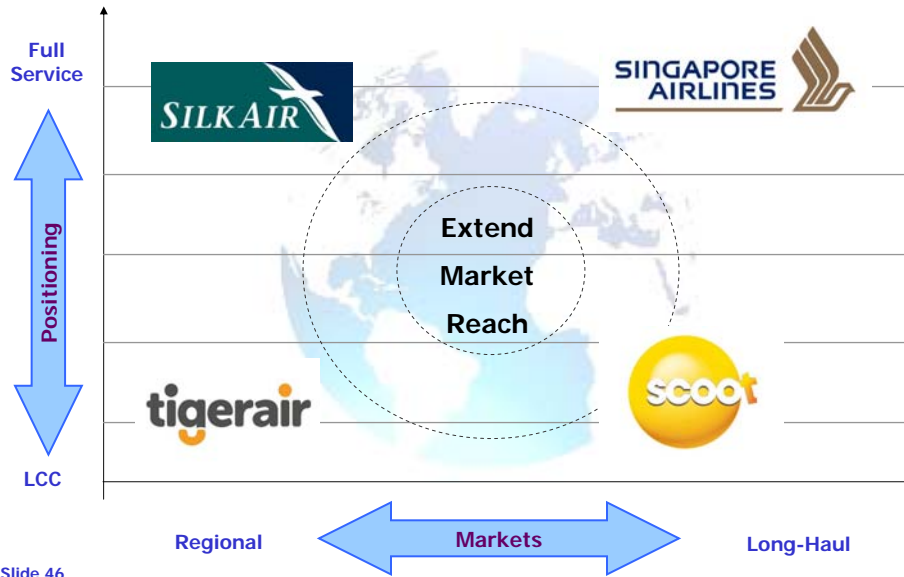


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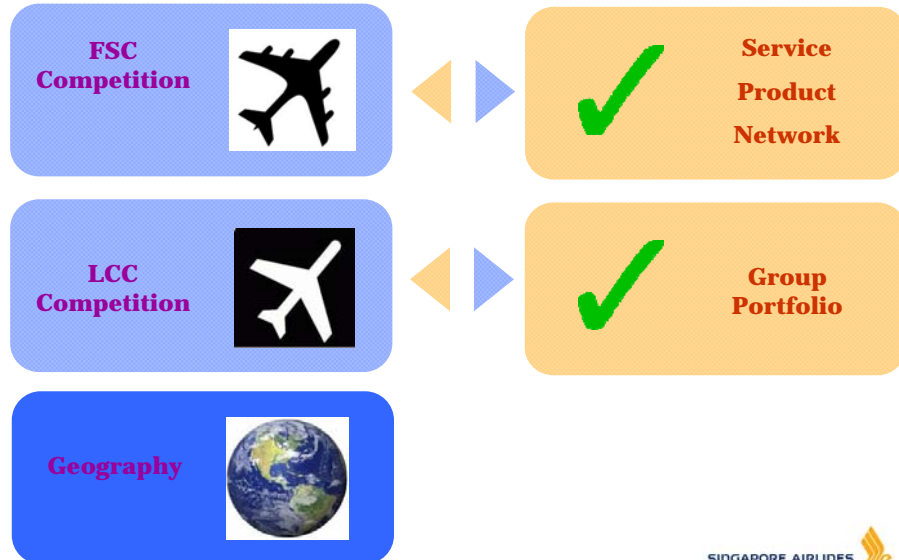
PORTFOLIO OF BRANDS



PORTFOLIO OF BRANDS



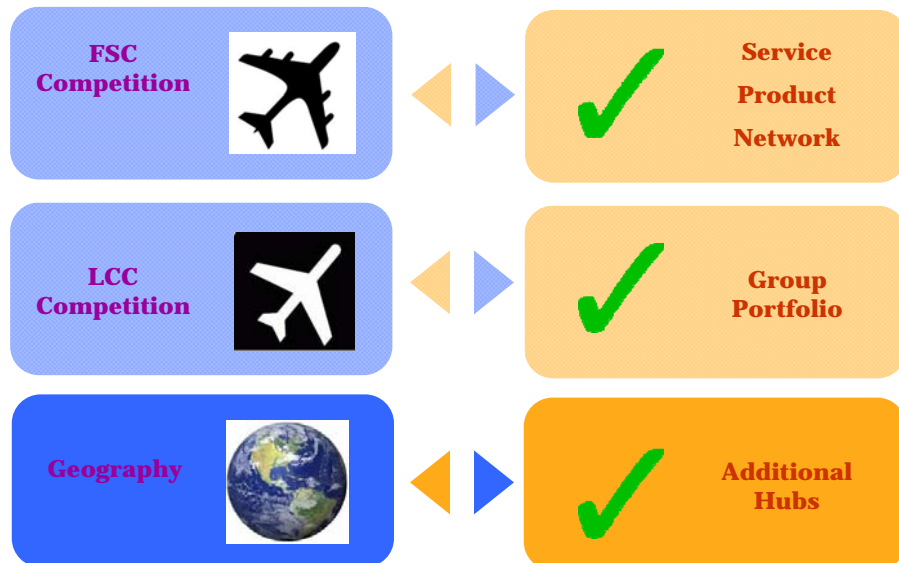
CHALLENGES



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SINGAPORE AIRLINES 

CHALLENGES



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TATA-SIA JOINT VENTURE

- 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

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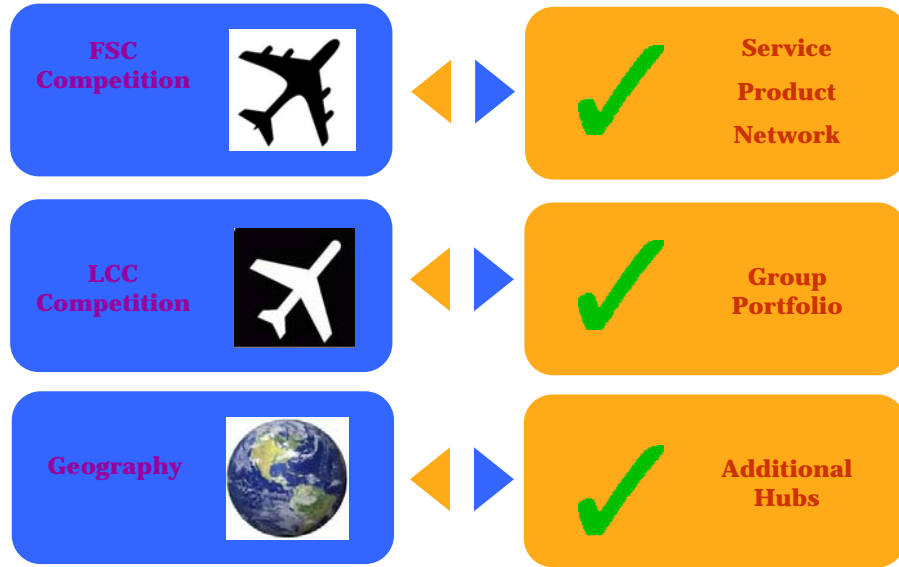
NOKSCOOT JOINT VENTURE

- 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

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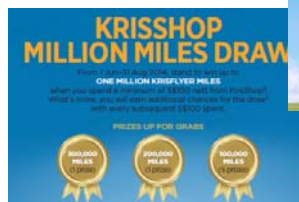
CHALLENGES



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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



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NEW VENTURE

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



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Thank You