



**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	%
<b>Total Revenue</b>	<b>3,222</b>	<b>81</b>	<b>2.6</b>	<b>6,382</b>	<b>137</b>	<b>2.2</b>
<b>Total Expenditure</b>	<b>3,125</b>	<b>(68)</b>	<b>(2.2)</b>	<b>6,196</b>	<b>(120)</b>	<b>(2.0)</b>
- 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)
<b>Operating Profit</b>	<b>97</b>	<b>13</b>	<b>15.3</b>	<b>186</b>	<b>17</b>	<b>10.0</b>
<b>Operating Profit Margin (%)</b>	<b>3.0</b>		<b>0.3 pt</b>	<b>2.9</b>		<b>0.2 pt</b>

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

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

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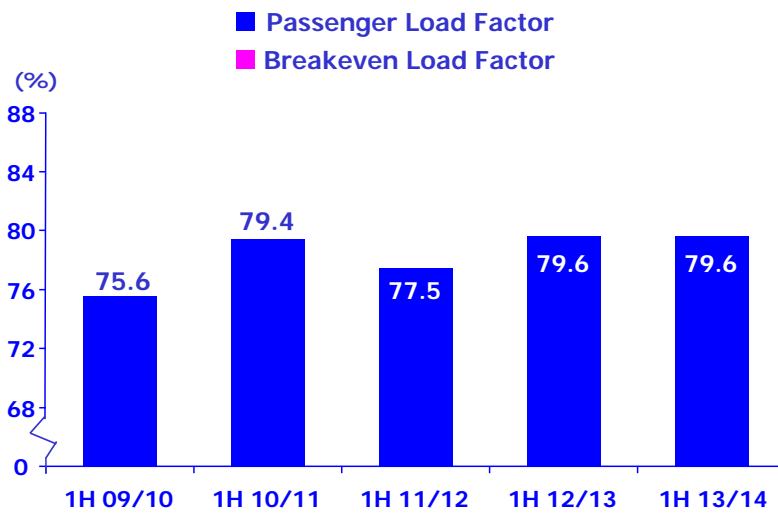
## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE – 2Q & 1H FY13/14

	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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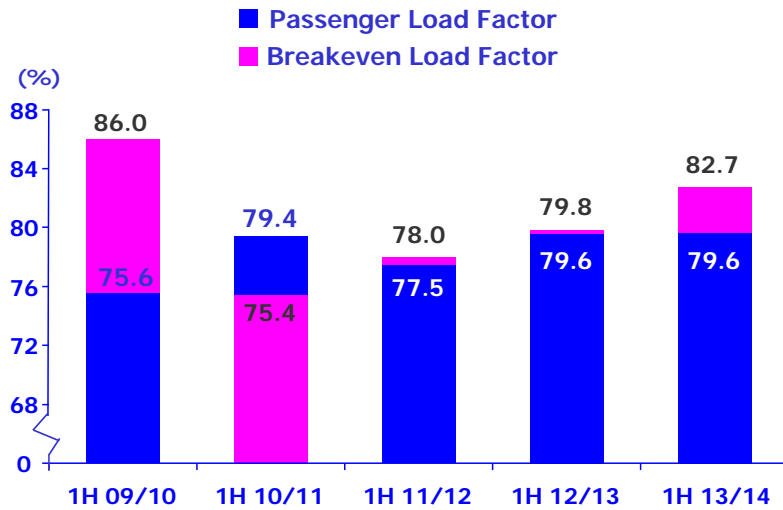
## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE



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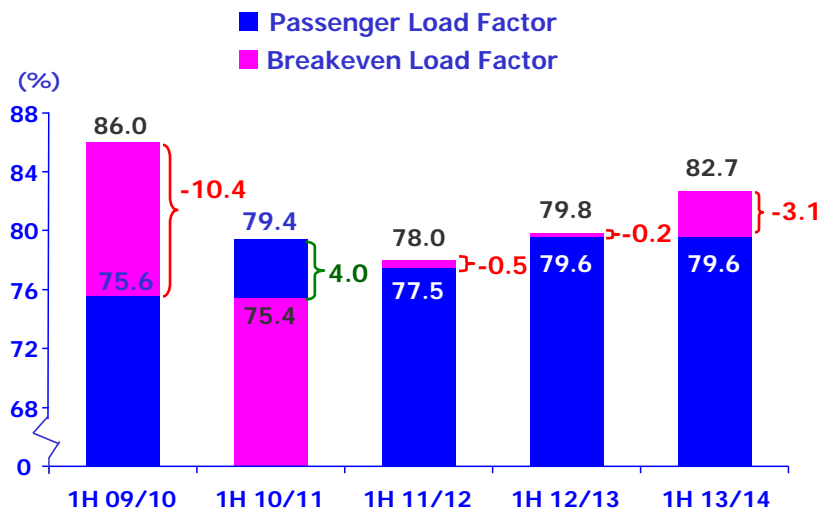
## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE



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## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

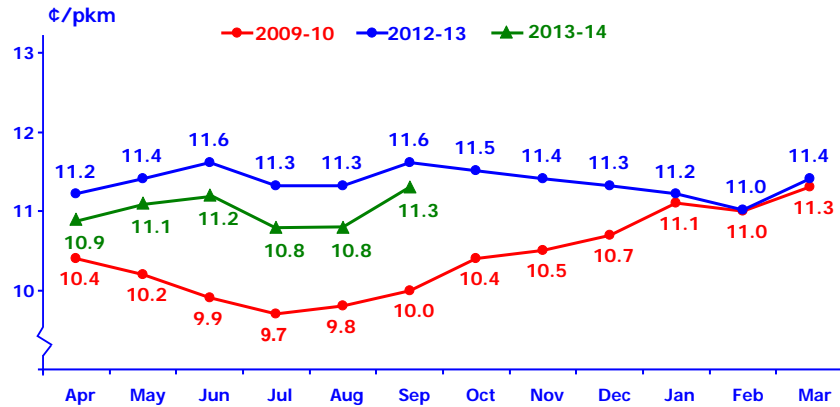


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## THE PARENT AIRLINE COMPANY MONTHLY PASSENGER YIELD

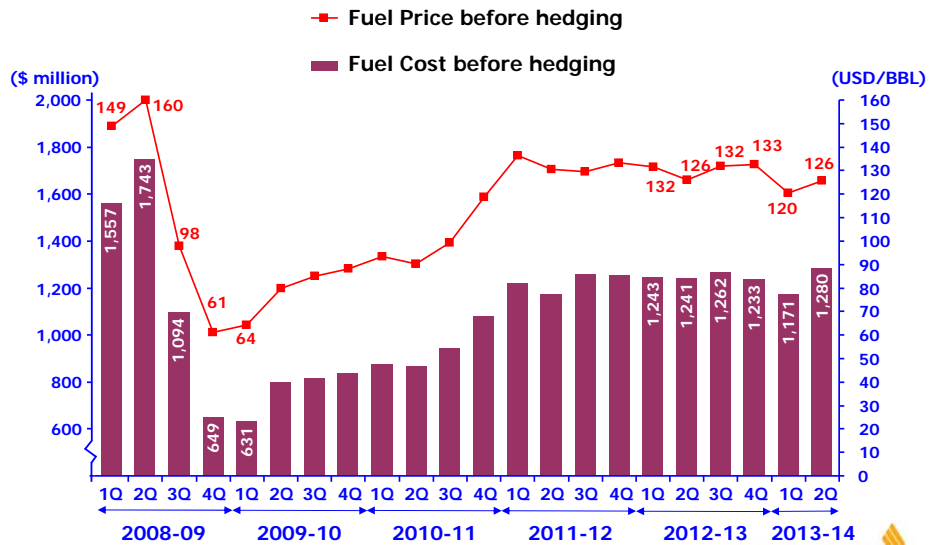
### Monthly Pax Yields (Including Fuel Surcharge)



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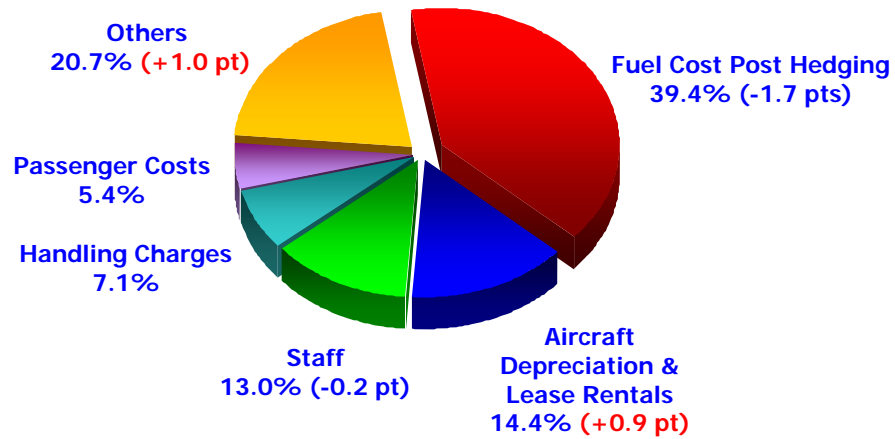
## THE PARENT AIRLINE COMPANY FUEL PRICE AND EXPENDITURE - TREND



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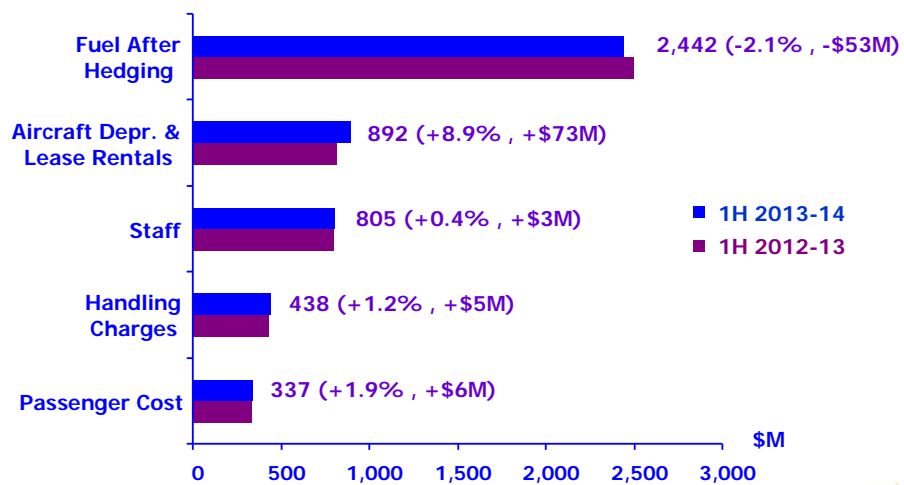
## THE PARENT AIRLINE COMPANY COST COMPOSITION – 1H FY13/14



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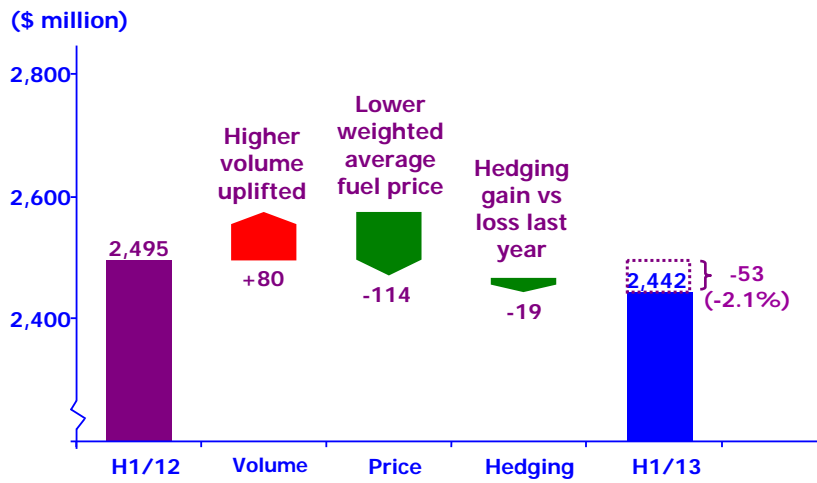
## THE PARENT AIRLINE COMPANY TOP 5 EXPENDITURE – 1H FY13/14



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



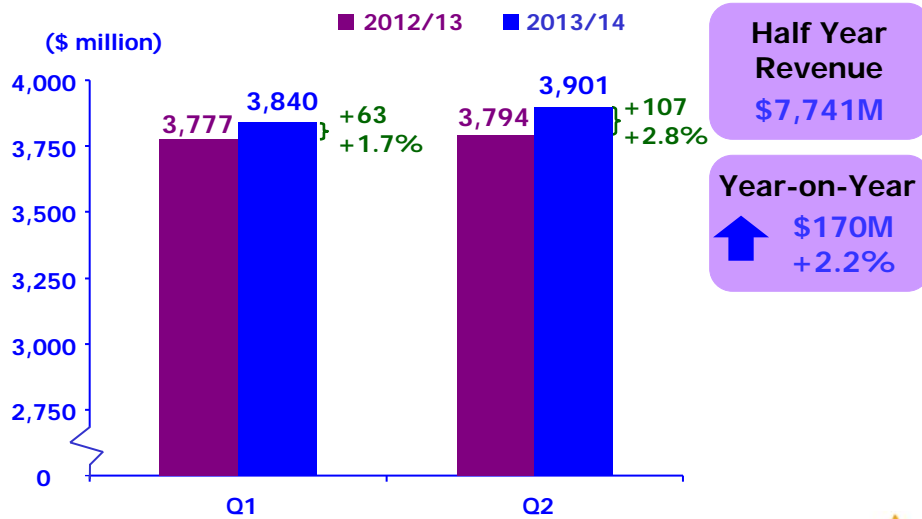
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## THE GROUP 1H FY2013/14 RESULTS

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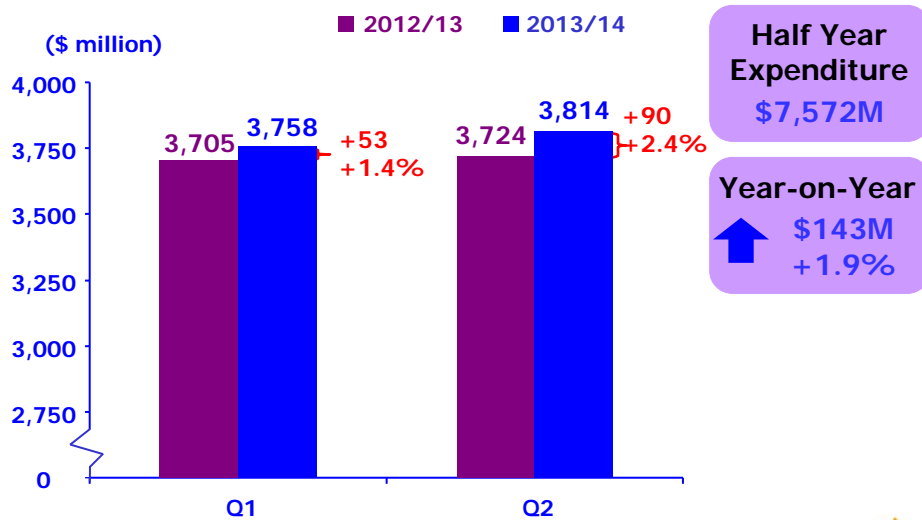
## GROUP REVENUE – 1H FY2013/14



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## GROUP EXPENDITURE – 1H FY2013/14

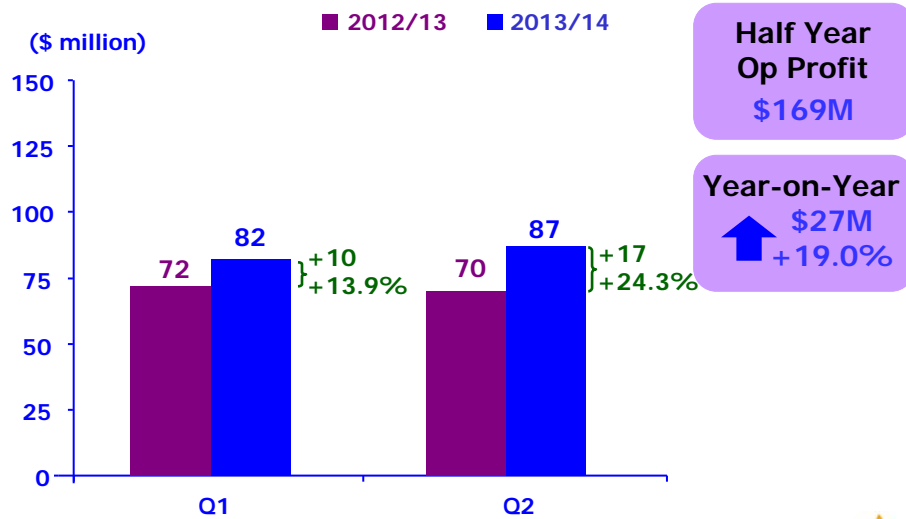


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## GROUP OPERATING PROFIT – 1H FY2013/14



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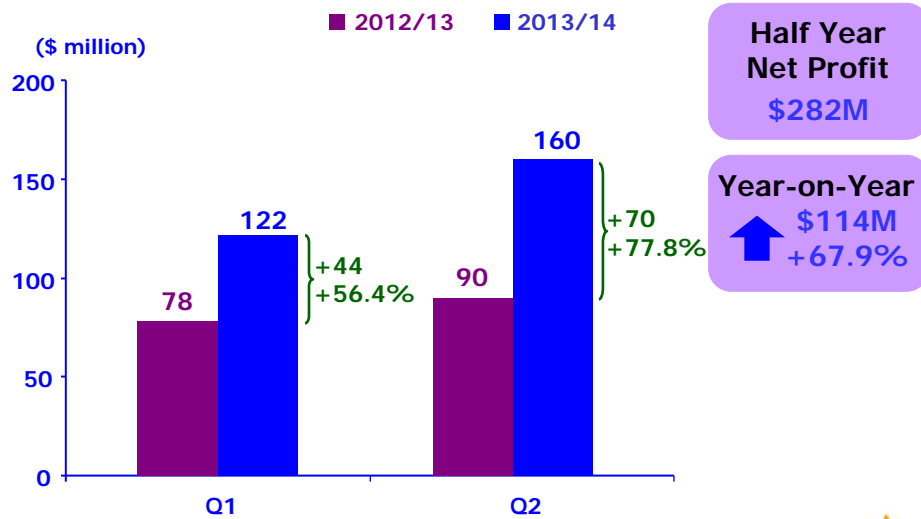
## CONTRIBUTION TO GROUP OPERATING PROFIT – 1H FY13/14 (\$ million)

	<u>1H/13</u>	<u>1H/12</u>	<u>Change</u>	<u>% Change</u>
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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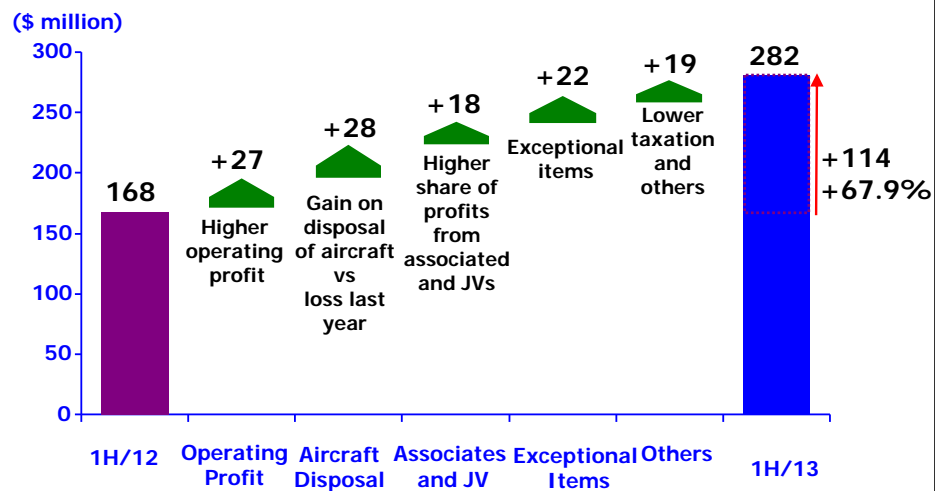
## GROUP NET PROFIT – 1H FY2013/14



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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

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	<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

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	<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

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	<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
<b>Total</b>	<b>2,450</b>	<b>3,250</b>	<b>3,000</b>	<b>4,200</b>	<b>4,500</b>

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## GROUP FUEL HEDGING POSITION

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- **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

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

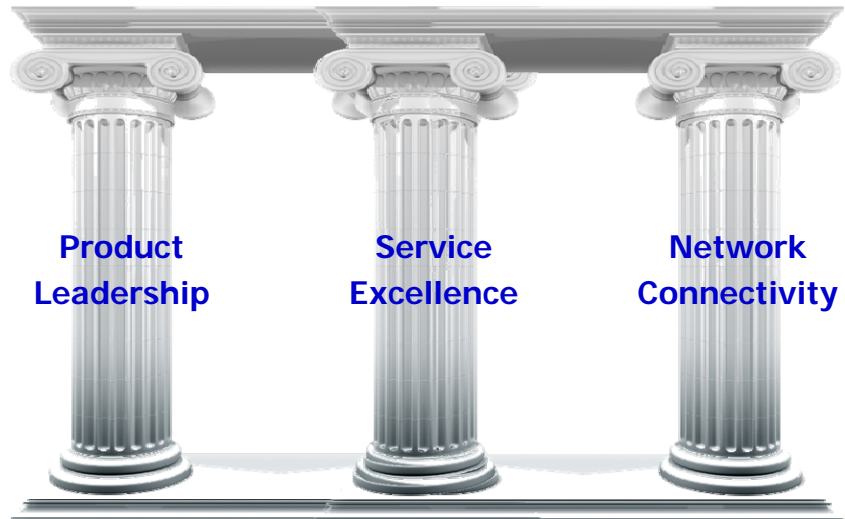
# MEETING THE CHALLENGES

## MEETING THE CHALLENGES

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- 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 

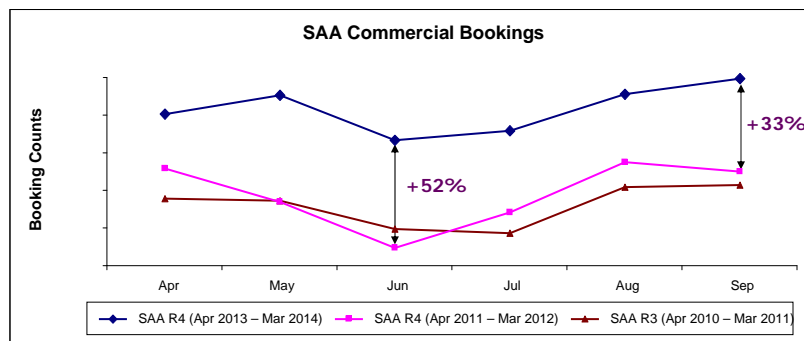
- Enhancement of Reserve Value
- Guaranteed Economy Class booking
- Access to lounges on arrival for Solitaire members
- Pay with KrisFlyer Miles
- Expanded KrisFlyer partnerships

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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



virgin 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

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- 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

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### ▪ 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

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- 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

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

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Thank You

