



SIA ANALYST/MEDIA BRIEFING
Q4 and FY2016/17 Results
19 May 2017

THE PARENT AIRLINE Q4 AND FY16/17 RESULTS



THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

	Q4 FY16/17	% Change	FY16/17	% Change
Available Seat-KM (million)	28,852	-0.6	117,662	-0.6
Revenue Pax-KM (million)	23,265	+2.1	92,914	-1.4
Passenger Load Factor (%)	80.6	+2.1 pts	79.0	-0.6 pt

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THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

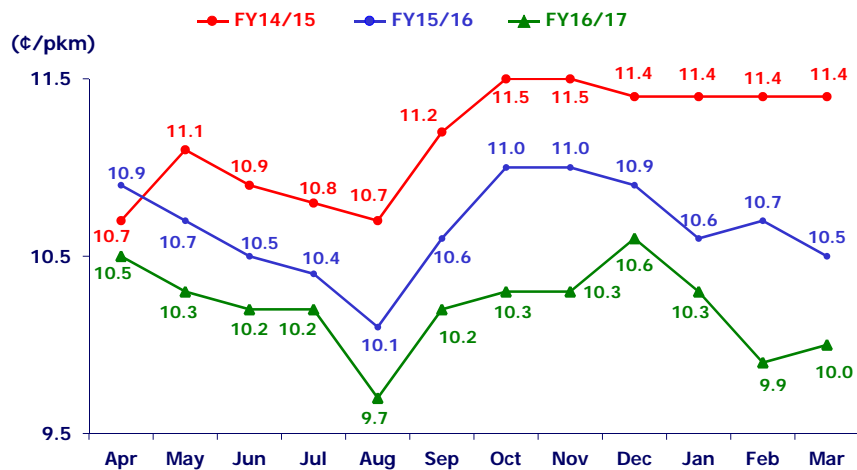
	Q4 FY16/17	% Change	FY16/17	% Change
Passenger Yield (¢/pkm)	10.1	-4.7	10.2	-3.8

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THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

Monthly Pax Yields (Including Fuel Surcharge)



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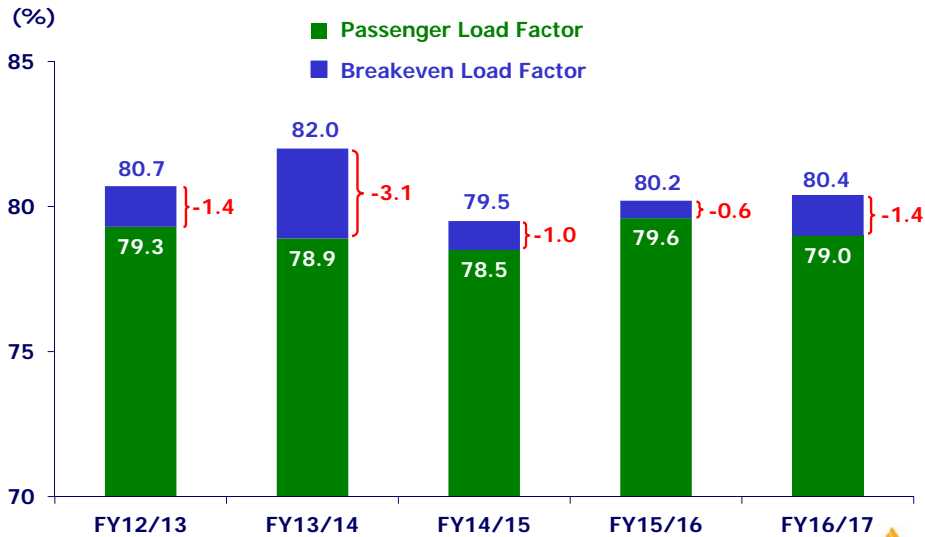
THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

	Q4 FY16/17	% Change	FY16/17	% Change
Passenger Yield (€/pkm)	10.1	-4.7	10.2	-3.8
Passenger Unit Cost (€/ask)	8.7	+4.8	8.2	-3.5
Passenger Unit Ex-Fuel Cost (€/ask)	6.1	+5.2	5.7	+3.6
Passenger Breakeven Load Factor (%)	86.1	+7.8 pts	80.4	+0.2 pt

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THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE



THE PARENT AIRLINE COMPANY RESULTS

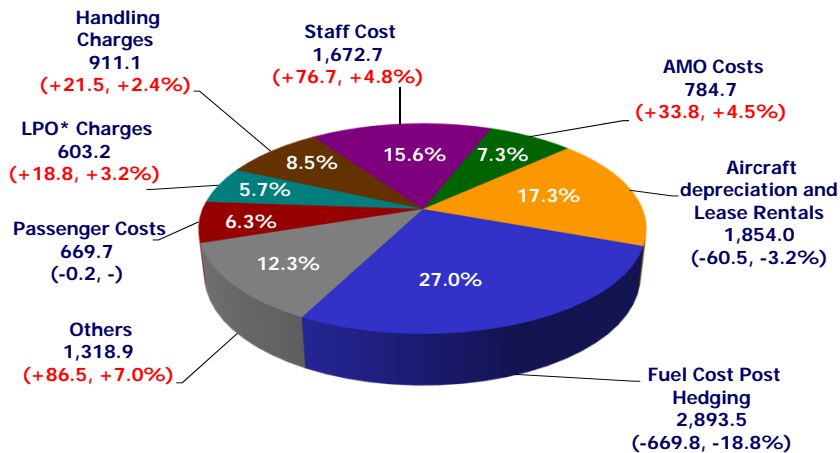
	Q4 FY16/17 \$million	Better/ (Worse) \$million	FY16/17 \$million	Better/ (Worse) \$million
Total Revenue	2,713	(76)	11,094	(592)
Total Expenditure	2,754	(63)	10,708	493
- Net Fuel Cost	746	(26)	2,894	670
Fuel Cost	737	(252)	2,625	12
Fuel Hedging Loss	9	226	269	658
- Ex-fuel Cost	2,008	(37)	7,814	(177)
Operating (Loss)/Profit	(41)	(139)	386	(99)
Operating (Loss)/Profit Margin (%)	(1.5)	(5.0) pts	3.5	(0.7) pt

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THE PARENT AIRLINE COMPANY COST COMPOSITION

FY16/17 (\$'M)

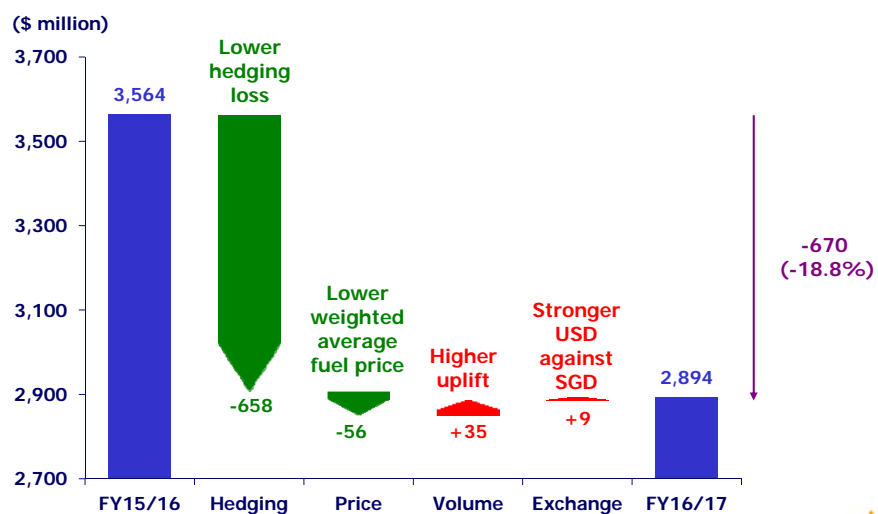


*Landing, Parking and Overflying

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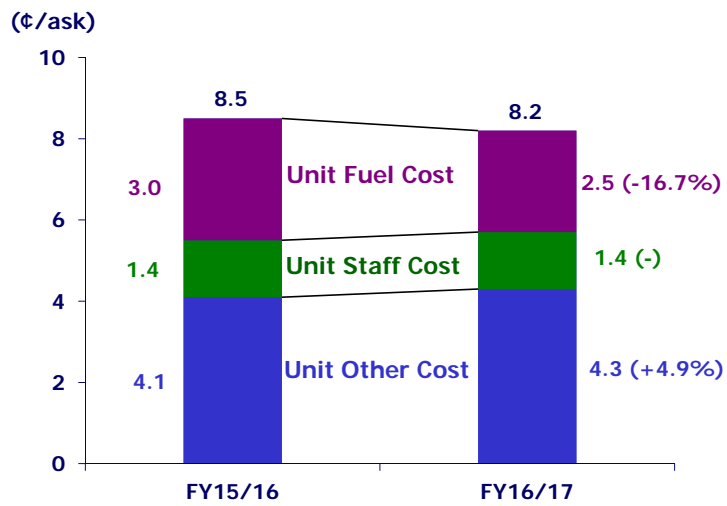
THE PARENT AIRLINE COMPANY FUEL EXPENDITURE



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THE PARENT AIRLINE COMPANY UNIT COST ANALYSIS



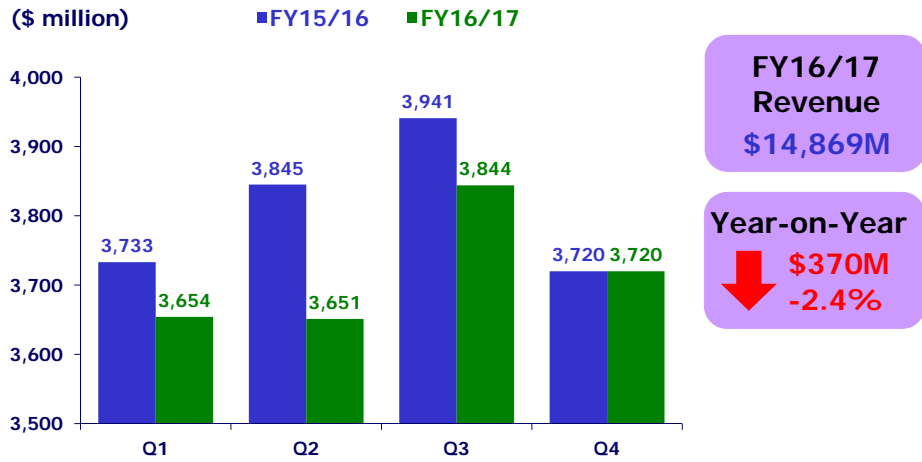
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SIA GROUP Q4 AND FY2016/17 RESULTS

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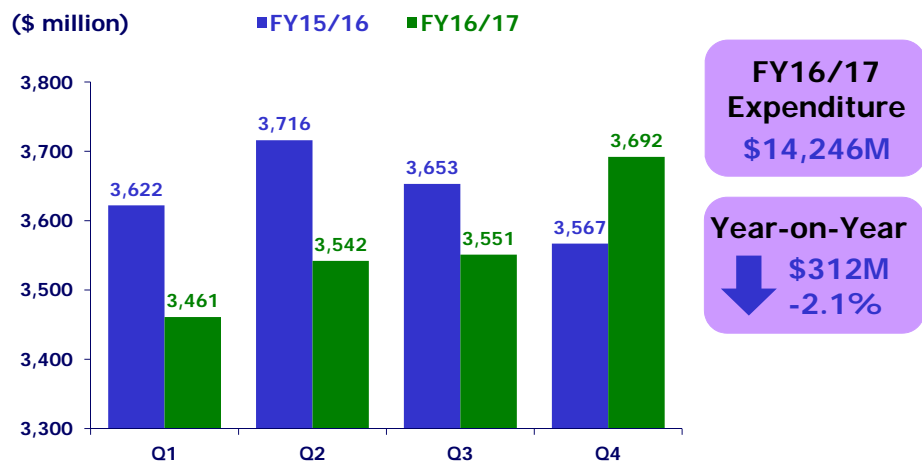
GROUP REVENUE



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GROUP EXPENDITURE

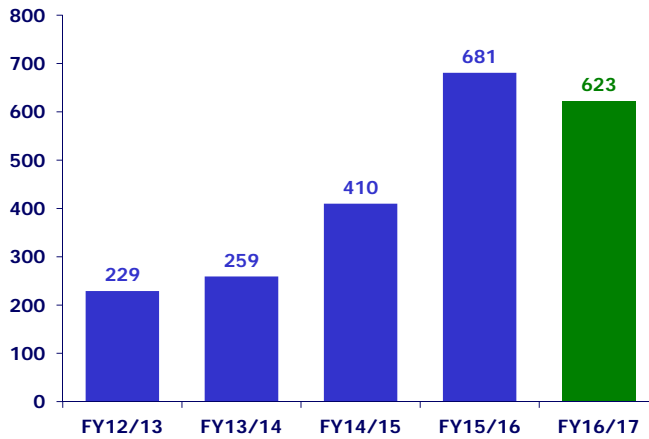


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GROUP OPERATING PROFIT

(\$ million)



**FY16/17
Op Profit
\$623M**

**Year-on-Year
↓ \$58M
-8.5%**

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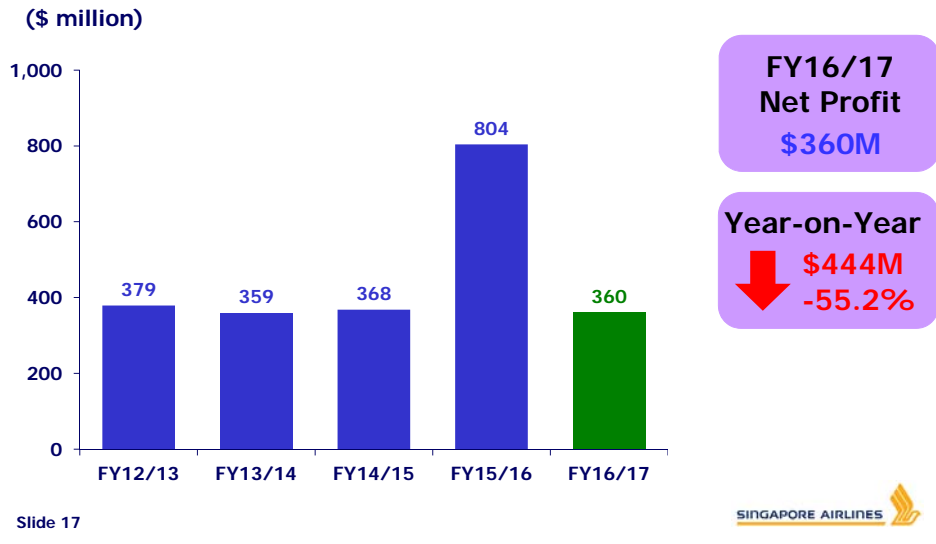
CONTRIBUTION TO GROUP OPERATING PROFIT

<u>(\$ million)</u>	<u>FY16/17</u>	<u>FY15/16</u>	<u>Change</u>	<u>% Change</u>
Singapore Airlines	386	485	- 99	- 20.4
SilkAir	101	91	10	+ 11.0
BAH	67	42	25	+ 59.5
SIA Cargo	3	(50)	53	n.m.
SIAEC	72	104	- 32	- 30.8

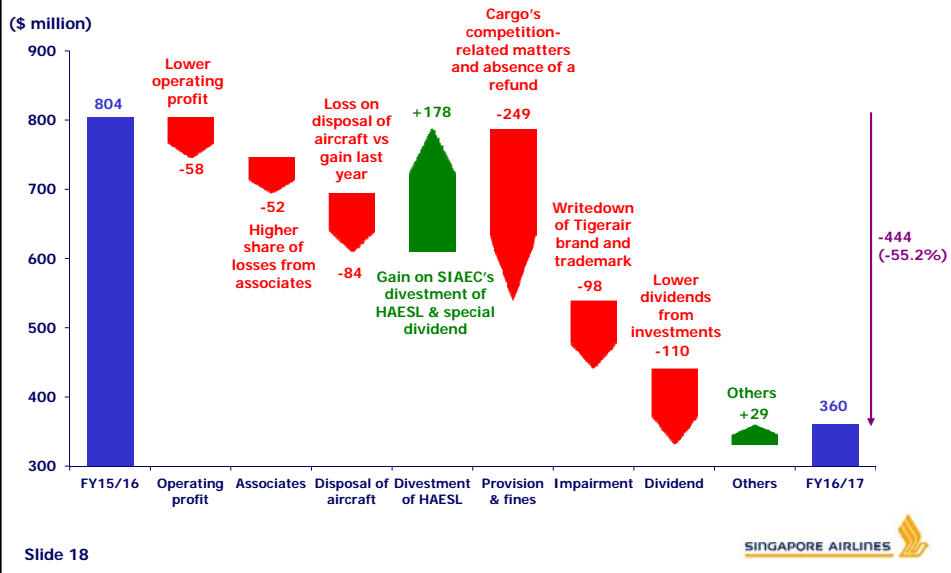
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GROUP PROFIT ATTRIBUTABLE TO OWNERS OF PARENT



GROUP PROFIT ATTRIBUTABLE TO OWNERS OF PARENT



FLEET DEVELOPMENT

	SIA	SilkAir	BAH	SIA Cargo
Operating Fleet as at 31 March 2017	106	30	35	7
IN:				
A380-800	+2			
A350-900	+10			
737 MAX 8		+4		
787-8			+4	
A320			+3 [^]	
OUT:				
A380-800	-4			
A330-300	-2			
777-200	-2			
777-200ER	-1			
A320			-2	
Operating Fleet as at 31 March 2018	109	34	40	7

[^] These were A320s subleased to IndiGo that will be returned to the operating fleet

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GROUP CAPITAL EXPENDITURE

(\$'million)	<u>FY17/18</u>	<u>FY18/19</u>	<u>FY19/20</u>	<u>FY20/21</u>	<u>FY21/22</u>
Aircraft	5,300	6,400	6,100	6,200	5,300
Other Assets	180	140	180	130	170
Total	5,480	6,540	6,280	6,330	5,470

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GROUP FUEL HEDGING POSITION

Q1 FY17/18	Jet Fuel	Brent
Percentage hedged (%)	39.3	-
Average hedged price (USD/BBL)	65	-

FY17/18	Jet Fuel	Brent
Percentage hedged (%)	20.6	20.0
Average hedged price (USD/BBL)	66	53

Maturities Up To 2022	Jet Fuel	Brent
Percentage hedged (%)	-	40-45
Average hedged price (USD/BBL)	-	53-59

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DIVIDENDS – FY16/17

	<u>FY16/17</u>	<u>FY15/16</u>
Earnings Per Share (¢)	30.5	69.0
Interim Dividend Per Share (¢)	9.0	10.0
Proposed Final Dividend Per Share (¢)	11.0	35.0
Total Dividend Per Share (¢)	20.0	45.0

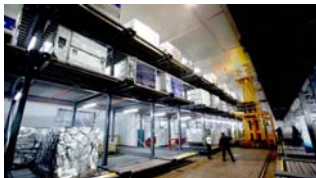
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SIA CARGO UPDATE



RE-INTEGRATION OF SIA CARGO



- SIA Cargo to be re-integrated as a Division within SIA
- Business restructuring arising from structural changes to the air freight market
- No change to Cargo operations – SIA remains committed to operating fleet of dedicated freighters
- Overall cargo capacity is still projected to grow going forward
- Re-integration to improve efficiency through greater synergies with the wider SIA group

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STRATEGIC DEVELOPMENTS

KEY STRATEGIES



Strengthening Premium Positioning



Portfolio



Multi-Hub



New Business Opportunities

STRENGTHENING PREMIUM POSITIONING



777-9 & 787-10

- LOI signed for 20 777-9 & 19 additional 787-10 aircraft



A350-900

- Enables non-stop service to San Francisco and new destinations (Dusseldorf & Stockholm)
- A350-900ULR non-stop service to USA in 2018



New Cabin Products

- End 2017 – New A380 ground-up cabin, with new KrisWorld experience
- 2018 – New medium-haul cabin on A350-900 & 787-10



STRENGTHENING PREMIUM POSITIONING

Partnerships to Grow Our Network

- 31 codeshare partners providing access to 223 offline destinations through 10,077 weekly frequencies (+19% YoY)
- Drives more passenger traffic through SIA's network and Changi hub
- JV partners help anchor SIA's presence on key routes:



- CPH services increase from 3x to 5x weekly
- New ARN service from 30 May'17
- Access to 18 offline points in Scandinavia via CPH, with more to be added through ARN



- Expanded reach across Europe, accessing 37 offline destinations through codeshare on LH services
- Deeper cooperation to commence in 4Q 2017

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STRENGTHENING PREMIUM POSITIONING

Partnerships to Grow Our Network

- 31 codeshare partners providing access to 223 offline destinations through 10,077 weekly frequencies (+19% YoY)
- Drives more passenger traffic through SIA's network and Changi hub
- JV partners help anchor SIA's presence on key routes:



- Increased New Zealand capacity by 16% compared to pre-JV
- Contributed to launch of WLG service
- Strengthened SQ's presence in New Zealand, reaching 18 offline points



- Contributed to launch of SQ's CBR and MI's CNS services
- Anchors SQ's presence in Australia, covering 34 offline points, providing feed for SQ's trunk routes

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PORTFOLIO



- While integration is ongoing, work is underway to enhance synergies (e.g. cross-selling, FFP) within the Group
- The Portfolio enabled 14 new destinations to be launched or announced in FY16/17



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PORTFOLIO NEW DESTINATIONS



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PORTFOLIO



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SINGAPORE AIRLINES 

MULTI-HUB

- Investments in strategic markets
- Complements and strengthens Singapore hub through synergies



- 19 destinations and 13 A320s (7 A320s on order)
- Strategically placed to tap into the large and growing Indian market
- Preparing to launch international operations



- 7 destinations and 3 B777-200s
- Positioned to leverage on strong leisure travel market

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NEW REVENUE & BUSINESS OPPORTUNITIES



Airbus Asia Training Centre

- 40 customers, including SIA, up from 17 customers in May'16
- Six flight simulators for the A320, A330, A350 and A380 installed
- Two more simulators to be added by 2019, to reach full capacity



KrisFlyer

- Revenue from sale of miles to non-air partners has more than doubled in the last 5-years, growing **110%**

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WHERE WE ARE

- Key elements of first phase of transformation now in place
- Initiatives showing positive results, positioning us well for future amid structural change
- With this foundation in place, it is timely to move to the next phase of transformation

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TRANSFORMATION

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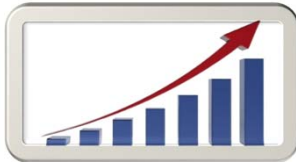
Our Game Plan

- To continue operating a sustainable business, we need to take bold actions to address both revenue & cost.
- We are doing so from a position of strength, having put in place foundation pieces in core areas
- A Transformation Office has been set up to drive this effort

Network and Fleet



Product & Services Positioning



Revenue Generation



Cost Efficiency and Productivity Improvement

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