

The Tigerair logo is displayed in a bold, dark grey font against a bright orange background. The word "tigerair" is written in lowercase, with a white curved line under the "i" and "a" to suggest a tiger's stripes.

# extraordinary general meeting

27 November 2014



# Tigerair turnaround plan is making progress

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- Capacity management

- Strategic alliance

} Improvement of Tigerair  
Singapore's operating performance

- Shedding of overseas ventures

- Strengthening of balance sheet

- To seek shareholders' approval for the proposed sale of the entire 40% shareholding interest in Tigerair Australia

Ordinary resolution 1

- To seek shareholders' approval for the proposed Rights Issue

Ordinary resolution 2



The Tigerair logo is positioned in the top right corner of the image. It features the word "tigerair" in a white, lowercase, sans-serif font. The letter "i" in "tiger" has a small orange dot above it, and the letter "a" in "air" has a small orange dot above it. The background of the entire image is a photograph of two women in a city setting, leaning on a green metal railing. One woman is taking a photo with a camera, and the other is smiling. The scene is bright and sunny, with a building and flags visible in the background.

tigerair

# Sale of entire 40% shareholding interest in Tigerair Australia

**"we embrace the simple belief that travel is about bringing people closer together,  
and about creating great experiences and memories."**

# Sale of entire 40% shareholding interest in Tigerair Australia



## Summary of Sale

|               |                     |
|---------------|---------------------|
| Buyer         | Virgin Australia    |
| Consideration | A\$1.00 (~S\$1.113) |


## Rationale

- Has been in an operating loss position since commencing services in 2007
- Divestment will allow the Group to channel valuable resources towards the execution of turnaround plan

Will continue to derive additional income from Tigerair Australia under agreements relating to use of Tigerair brand



# Rights Issue

The background of the entire page is a photograph of a tropical resort. In the foreground, a woman with long dark hair, wearing a blue t-shirt and yellow shorts, is sitting on a wooden deck by a swimming pool. She is smiling and holding a drink with a straw. To her left, a young girl in a pink dress is splashing water in the pool. In the bottom left corner, a pair of feet is visible, resting on a lounge chair. The pool is surrounded by lounge chairs and large white umbrellas. In the background, there are palm trees and a clear sky.

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## Summary of Rights Issue

|             |  |
|-------------|--|
| Issue Price | S\$0.20 per share  |
| Size        | Maximum Gross Proceeds of S\$234m  |
| Discount    | 39% to the one-day volume-weighted average price ("VWAP") of S\$0.328 per share on 16 October 2014 <sup>1</sup><br>26% to the theoretical ex-rights price ("TERP") of S\$0.269 per share |
| Ratio       | 85 rights shares for every 100 existing shares   |

<sup>1</sup>16 October 2014 is the date preceding the announcement of the Rights Issue

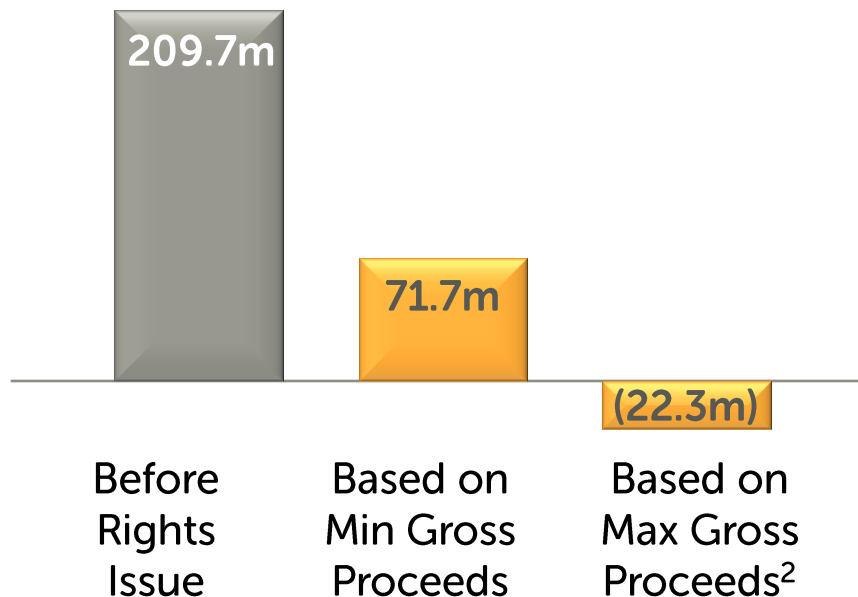
The Rights Issue allow the Group to

- strengthen its balance sheet by increasing its equity base
- meet its general corporate funding requirements



# Strengthen balance sheet by reducing leverage

## Total net borrowings/(cash)<sup>1</sup> (S\$)



## Net gearing<sup>1</sup>



<sup>1</sup>On a pro forma basis, as at 30 September 2014

<sup>2</sup>The Group will be in a net cash position of approximately S\$22.3 million after the Rights Issue based on the Maximum Net Proceeds, on a pro forma basis

# Adjustment of PCCS conversion price

Adjustment of PCCS conversion price in view of the Rights Issue



- The Adjusted Conversion Price will take effect on the date on which the shares first trade ex-rights on the SGX-ST

Singapore Airlines Limited (“SIA”) undertakes to:

- **convert its PCCS holdings into ordinary shares on the date on which the shares first trade ex-rights, upon shareholders’ approval of the rights issue**
  - post-conversion, SIA’s stake in Tigerair will increase from 40% to 55%
  - Tigerair effectively becomes a subsidiary of SIA post-conversion
- **subscribe for its *pro rata* entitlement and also for excess rights shares not taken up by other shareholders, up to a total of S\$140m**

**SIA will not be making a general offer**

- Tigerair’s independent shareholders approved a whitewash resolution in March 2013 to waive their rights to receive a general offer as a result of the PCCS conversion

# Proceeds from the Rights Issue

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Minimum Gross Proceeds of **S\$140 million**

→ pursuant to SIA's undertaking

Maximum Gross Proceeds of **S\$234 million**, assuming:

→ all PCCS holders convert their holdings

→ the Rights Issue is fully subscribed for



# Use of Rights Issue proceeds

| Uses  | Proceeds <sup>1</sup> (S\$) |
|---|-----------------------------|
| Progressive repayment of existing loans   | 70m – 100m                  |
| Funding for aircraft, spare engines and other aircraft parts and associated pre-delivery payments | 40m – 70m                   |
| Working capital and issue expenses  | 30m – 64m                   |
| <b>Total</b>  | <b>140m – 234m</b>          |

<sup>1</sup>The range of proceeds is based on the Minimum and Maximum Gross Proceeds for the Rights Issue

## Measures taken:

- ✓ **Eliminate exposure to non-performing associate airlines**
  - Tigerair Philippines, Tigerair Mandala
  - Seeking approval to sell the Group's 40% interest in Tigerair Australia
- ✓ **Mitigate near-term overcapacity issues**
  - Cancelled 9 aircraft ordered in 2007 and due for delivery in 2014-2015
    - delivery of these aircraft would have exacerbated the Group's surplus aircraft situation
  - Subleased 12 aircraft to IndiGo
  - Sold 1 aircraft (through an assignment of rights) and subleased 1 aircraft to Tigerair Taiwan
  - Currently operating a fleet of 24 aircraft

## Improve Tigerair Singapore's operating performance

- Right-sizing of capacity allows Tigerair to deal with weak-yielding routes decisively
- Alliance with Scoot allows for greater integration between Tigerair and Scoot
  - Areas of integration include:
    - schedule coordination
    - cross-selling of routes
    - joint marketing
  - Connecting traffic between Tigerair and Scoot <5% now  
→ much room to increase

- Consequent upon the Competition Commission of Singapore (“CCS”) making a favourable decision on the merger control application submitted by SIA and Tigerair, in relation to SIA’s increasing its stake in Tigerair to a controlling interest, Tigerair will be able to benefit, post-completion of the Rights Issue, from the scale, connectivity and distribution network that SIA has, much more beyond just its cooperation with Scoot
- Such benefits can only be realised if SIA and Tigerair obtain merger control approval from the CCS



- Market players more disciplined in management of capacity
- Decrease in fuel price reduces cost pressure
- The Group will continue to focus on managing costs and optimising yields

A man in a light blue shirt is carrying a baby on his shoulders. The baby is wearing a white and black striped sweater and black pants. The man is smiling and has his hands on the baby's head. The background is a blurred city street with buildings.

tigerair

thank you

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