



Media Release

23 October 2015

Tigerair Reduces Net Loss by 93.0% to \$12.8M for 2QFY16

Tiger Airways Holdings Limited (“Tigerair” or the “Group”) has reported a \$12.8 million net loss for the second quarter ended 30 September 2015. The loss was 93.0% lower than the \$182.4 million loss reported a year ago. The absence of (i) losses related to divestment of a 40% stake in Tigerair Australia and (ii) provision for onerous aircraft leases, both of which were recorded in 2QFY15 contributed to this improvement in the financial performance.

Operating loss narrowed to \$10.4 million, compared to \$25.3 million recorded in the previous corresponding quarter. This was mainly attributable to improved performance for airline operations in Singapore.

Group revenue was \$167.9 million, up by 12.8% from \$148.9 million. Yields recorded an improvement of 8.2% while load factor increased by 1.6 percentage points on the back of higher traffic (+1.1%). In addition, the Group recorded a lease rental income of \$5.2 million during the quarter. This was related to the aircraft and engine leasing arrangements with Tigerair Australia and Tigerair Taiwan.

Group expenses increased by 2.4% to \$178.3 million. The benefit of lower fuel expenses was partially eroded by higher maintenance charges, higher aircraft rentals and appreciation of USD against SGD. In addition, changes in accounting estimates for maintenance provisions and aircraft depreciation policy resulted in \$3.8 million increase in expenses.

The Group reported an operating loss of \$9.9 million for the first half of the financial year, compared to a \$41.7 million operating loss a year ago. Revenue in the first half rose 4.9% to \$336.2 million. Net loss for the first half of FY16 significantly narrowed to \$14.4 million, compared to the previous year’s net loss of \$247.6 million. At the end of first half, the Group generated positive cash flows of \$16.7 million from core operations.

Mr Lee Lik Hsin, CEO of Tigerair, said, “We are encouraged by the narrowing of losses in a seasonally weak second quarter. We will work hard to deliver further improvements for the months ahead.”



Outlook

The period between October and December is a seasonally peak quarter. The Group will capitalise on the yield improvement opportunities during the holiday season. New services to Lucknow, and a return of services to Lijiang, are scheduled before the end of the year.

The Group will continue to explore all opportunities for synergies with Scoot and the rest of the Singapore Airlines Group in commercial, operational and other areas.

About Tigerair

Tigerair is a subsidiary of Singapore Airlines Limited and is listed on the SGX Mainboard. Established in 2004, Tigerair is a leading Singapore-based no-frills airline that offers affordable travel options and a seamless customer experience.

With a fleet of Airbus A320-family aircraft, Tigerair operates flights to 39 destinations across Asia such as Singapore, Bangladesh, China, Hong Kong, India, Indonesia, Macau, Malaysia, Maldives, Myanmar, Philippines, Taiwan, Thailand, and Vietnam.

Tigerair empowers travellers to explore new destinations, and accumulate memorable experiences, by offering an increased network of destinations. It is also committed to maintaining the highest standards of safety, security and reliability. For more information, please visit www.tigerair.com.

Contact for media:

Huang Yifang
DID: (65) 6422 2388
Email: mediarelations@tigerair.com

Contact for analysts:

Lauren Chan
DID: (65) 6422 2336
Email: investorrelations@tigerair.com



Consolidated Income Statement

For the Second Quarter Ended 30 September 2015 (in SGD'000)

	2 nd Quarter FY16	The Group 2 nd Quarter FY15 (restated)	Increase/ (decrease) %	6 months FY16	The Group 6 months FY15 (restated)	Increase/ (decrease) %
Revenue						
Passenger seat revenue	126,668	113,898	11.2	255,242	246,218	3.7
Ancillary and other revenue	36,041	34,756	3.7	71,879	73,411	(2.1)
Lease rental income	5,182	239	n.m	9,070	963	n.m
Total revenue	<u>167,891</u>	<u>148,893</u>	12.8	<u>336,191</u>	<u>320,592</u>	4.9
Expenses						
Fuel costs:						
Actual fuel costs	(45,219)	(71,531)	(36.8)	(95,743)	(150,924)	(36.6)
Fuel hedging loss	(13,266)	(1,371)	n.m	(24,521)	(1,192)	n.m
Staff costs	(20,424)	(21,383)	(4.5)	(40,018)	(43,920)	(8.9)
Aircraft rentals	(23,976)	(15,441)	55.3	(43,032)	(33,534)	28.3
Airport and handling	(21,587)	(21,282)	1.4	(42,396)	(44,818)	(5.4)
Maintenance, material and repair	(27,376)	(18,256)	50.0	(48,343)	(35,778)	35.1
Route charges	(2,952)	(5,140)	(42.6)	(7,896)	(10,364)	(23.8)
Marketing and distribution costs	(7,090)	(5,742)	23.5	(13,160)	(11,395)	15.5
Depreciation and amortisation	(10,292)	(7,899)	30.3	(20,640)	(16,321)	26.5
General and administrative costs	(2,457)	(1,131)	n.m	(4,862)	(3,596)	35.2
Exchange loss	(2,022)	(3,016)	(33.0)	(1,748)	(6,358)	(72.5)
Others	(1,674)	(1,995)	(16.1)	(3,724)	(4,088)	(8.9)
Total expenses	<u>(178,335)</u>	<u>(174,187)</u>	2.4	<u>(346,083)</u>	<u>(362,288)</u>	(4.5)
Operating loss	(10,444)	(25,294)	(58.7)	(9,892)	(41,696)	(76.3)
Finance income	411	588	(30.1)	758	1,226	(38.2)
Finance expense	(2,653)	(1,887)	40.6	(5,184)	(3,818)	35.8
Gain on disposal of aircraft	–	1,167	(100.0)	–	1,167	(100.0)
Share of loss of associate	–	–	n.m	–	(35,328)	(100.0)
Shutdown costs of PT Mandala Airlines	–	–	n.m	–	(14,614)	(100.0)
Loss on disposal of an associate	–	(2,000)	(100.0)	–	(2,000)	(100.0)
Loss arising from planned disposal of a joint venture	–	(59,766)	(100.0)	–	(59,766)	(100.0)
Provision for onerous aircraft leases	–	(99,326)	(100.0)	–	(99,326)	(100.0)
Loss before taxation	(12,686)	(186,518)	(93.2)	(14,318)	(254,155)	(94.4)
Taxation	(74)	4,136	n.m	(122)	6,551	n.m
Loss for the period	<u>(12,760)</u>	<u>(182,382)</u>	(93.0)	<u>(14,440)</u>	<u>(247,604)</u>	(94.2)
Loss per share (cents)						
Basic	(0.51)	(16.39)		(0.58)	(22.26)	
Diluted	(0.51)	(16.39)		(0.58)	(22.26)	