Media Release **2 May 2014**

Exceptional Charges and Provisions Contribute To 4Q Losses

Tiger Airways Holdings Limited ("Tigerair") has reported an operating loss of $24.2 million for the quarter ended 31 March 2014 ("4QFY14"), compared to an operating profit of $12.7 million recorded in the previous corresponding quarter ("4QFY13").

Total revenue declined by 32.7% to $161.9 million in 4QFY14, while total expenses fell 18.3% to $186.1 million year-on-year, mainly due to the exclusion of Tigerair Australia from the Group's results, as the airline ceased to be a subsidiary from 8 July 2013.

Loss after tax of $95.5 million for 4QFY14 was largely attributed to $52.4 million in exceptional charges and $21.5 million in share of losses of associate and joint venture. Exceptional charges comprised a $25.0 million provision for a planned grounding of eight aircraft and a $27.4 million impairment of associate, while the share of losses of associate and joint venture included an $11.9 million provision relating to Tigerair Mandala. These exceptional charges and provisions, which amounted to $64.3 million, demonstrate the Group's resolve to re-set its strategy and consolidate its capacity.

For the full year ended 31 March 2014, the Group recorded an operating loss of $52.0 million compared to an operating profit of $7.3 million year-on-year. Group loss after tax widened to $223.0 million, compared to the previous year's loss after tax of $45.4 million.

Operations Review (4QFY14)

Despite an increase in traffic volume (+13.4%), Tigerair Singapore's revenue for 4QFY14 declined by 4.5% to $159.0 million, as yield fell 16.3% and load factor dropped 9.1 percentage points to 75.1%. Unit cost rose by 2.2% as the increase in expenses (+29.9%) outpaced capacity growth (+27.1%). Consequently, Tigerair Singapore recorded an operating loss of $29.4 million for the quarter compared to an operating profit of $21.5 million a year ago.

Share of loss from Tigerair Mandala amounted to $16.1 million for the quarter. The airline currently has a fleet of nine aircraft. Share of loss from Tigerair Australia amounted to $5.4 million for the quarter. The airline has a fleet of 13 aircraft.

Turnaround Plan

The continued capacity expansion in the region has negatively affected yields and load factors. The Tigerair Group has embarked on a plan to turn around its financial performance. During the last financial year, the Group:

- sold 60% of its stake in loss-making Tigerair Australia,
- sold its stake of 40% in loss-making Tigerair Philippines,
- made financial provisions for losses in Tigerair Mandala and rationalised its routes,
- cancelled nine aircraft ordered in 2007 and due for delivery in 2014-2015,
- made financial provisions for a planned grounding of eight aircraft in financial year 2015, and
- entered into strategic alliances in advancement of Tigerair's asset light growth strategy.

The disposal of Tigerair Philippines means that the Group will no longer include the financial results of the loss-making airline. The Group's exposure to loss-making Tigerair Australia is significantly reduced through the paring of its stake in the Australian entity. With the rationalisation of Tigerair Mandala's network, the airline will operate a smaller fleet, even as the Group is assessing its investment in Indonesia.

Tigerair Singapore is also implementing a range of new initiatives to enhance its customers' experience, including its booking, check-in, inflight, and post-flight experiences. It will continue to drive performance by focusing on cost management and matching seasonal passenger demand with the right flight frequencies. The aircraft order cancellation will help to mitigate near-term over-capacity issues.

Group CEO Mr Koay Peng Yen said, "In the past year, we have executed difficult plans to clear the deck and put the Group on a stronger foundation. The divestment of our overseas units and provisions for future charges ensure that the Company can start off on a better footing in the new financial year. We have also proactively addressed excess capacity issues faced by the Group. In fact, the industry as a whole needs to reflect on the toll that overcapacity has created. We recognise that the restructuring of Tigerair is not an overnight process, and we are working very hard at executing our turnaround strategy. We are leaving no stone unturned."

Outlook

Due to an over-supply of capacity in the region, Tigerair continues to operate in a challenging business environment. It is expected that yield and load factors will remain under pressure. In the face of these challenging conditions, the Group will continue to focus on managing costs and productivity, optimising yields and keeping its operating asset base tight by reducing capacity and adjusting its service network. Given uncertain market conditions, the Group is reviewing its investment in Tigerair Mandala.

The establishment of Tigerair Taiwan is underway, and it is expected to take to the skies by the end of 2014. The Group holds a 10% share of Tigerair Taiwan.

About Tigerair

Tigerair, established in 2004, is a leading Singapore-based no-frills airline that offers affordable travel options and a seamless customer experience.

Tigerair comprises three airlines, namely Tigerair Singapore, Tigerair Mandala and Tigerair Australia. Collectively, the Group's network extends to over 50 destinations across 14 countries in the Asia Pacific. As at 30 April 2014, Tigerair operates a fleet of 49 Airbus A320-family aircraft, averaging less than three years of age.

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

For media enquiries, please contact:
Yu Jierong
DID: (65) 6422 2388
Email: mediarelations@tigerair.com

For investor relations enquiries, please contact:
Lauren Chan
DID: (65) 6422 2336
Email: investorrelations@tigerair.com

tigerair

Consolidated Income Statement

For the Fourth Quarter and Financial Year Ended 31 March 2014 (in $'000)

	The Group 4th Quarter FY14	4th Quarter FY13	The Group FY14	FY13
Revenue				
Passenger seat revenue	122,064	187,950	560,611	686,029
Ancillary and other revenue	39,839	52,678	173,435	180,186
Total revenue	161,903	240,628	734,046	866,215
Expenses				
Fuel costs:				
Actual fuel costs	83,512	100,048	341,115	367,382
Fuel hedging (gain)/loss	(2,094)	(304)	(2,630)	(3,638)
Staff costs	19,196	35,075	101,511	123,877
Aircraft rental	15,886	18,656	63,909	74,718
Airport and handling	26,016	23,847	99,734	89,160
Maintenance, material and repair	18,210	23,020	77,805	86,079
Route charges	5,792	10,350	27,942	36,409
Marketing and distribution costs	3,435	5,082	18,095	18,131
Depreciation and amortisation	8,401	9,008	34,099	34,044
Exchange (gain)/loss	3,533	(3,423)	3,473	4,135
Others	4,245	6,571	21,028	28,625
Total expenses	186,132	227,930	786,081	858,922
Operating profit/(loss)	(24,229)	12,698	(52,035)	7,293
Finance income	775	808	6,268	2,681
Finance expense	(4,377)	(2,206)	(10,863)	(9,543)
Gain/(loss) on disposal of aircraft	–	(1,094)	1,619	(885)
Share of gain/(loss) of associates and joint venture	(21,472)	(15,358)	(95,058)	(27,472)
Gain on loss of control of a subsidiary	–	–	106,078	–
Impairment of associates	(27,361)	(7,100)	(133,626)	(7,100)
Gain/(loss) on disposal of an associate	1,430	–	(28,900)	–
Provision for onerous aircraft leases	(25,044)	–	(25,044)	–
Profit/(loss) before taxation	(100,278)	(12,252)	(231,561)	(35,026)
Taxation	4,771	(3,135)	8,570	(10,369)
Profit/(loss) for the period/year	(95,507)	(15,387)	(222,991)	(45,395)
Earnings/(loss) per share (cents)				
Basic	(9.68)	(1.79)	(22.62)	(5.28)
Diluted	(9.68)	(1.79)	(22.62)	(5.28)