



Media Release

22 January 2016

Tigerair Reports Improved 3QFY16 Performance With S\$6.8M Net Profit

Tiger Airways Holdings Limited (“Tigerair” or the “Group”) has reported a net profit of \$6.8 million for the third quarter ended 31 December 2015 (“3QFY16”), an improvement compared to a net profit of \$2.2 million in the previous corresponding quarter (“3QFY15”). Operating profit rose to \$10.0 million for 3QFY16, compared to \$4.1 million in 3QFY15.

Group revenue increased by 1.5% to \$187.4 million mainly driven by higher lease rental income from aircraft and engine leasing arrangements with Tigerair Australia and Tigerair Taiwan. This was partially offset by decline in revenue from airline operations in Singapore following a capacity decrease of 1.6%. Yields fell by 1.4% while load factor was 83.1%, an improvement of 1.1 percentage points.

Group expenses decreased by 1.8% to \$177.3 million mainly due to lower fuel expenses. However, the benefit of lower fuel price was partially eroded by higher maintenance charges, higher aircraft rentals and the 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 aircraft depreciation.

Mr Lee Lik Hsin, CEO of Tigerair, said, “The low fuel price environment has helped our third quarter performance and we expect to continue benefitting from it.”

For the nine months to December 2015, the Group recorded an operating profit of \$0.2 million, a turnaround from an operating loss of \$37.6 million a year ago. Net loss narrowed to \$7.7 million, compared to previous year’s net loss of \$245.4 million. For the nine-month period, the Group has generated positive cash flows of \$36.3 million from core operations.

Outlook

The Group expects macroeconomic conditions to remain uncertain and surplus capacity in the industry will continue to exert downward pressure on yields in the near term. Nevertheless, the low fuel price environment offers some respite and the Group will continue to work hard to optimise its loads and yields.



The Group will continue to deepen its collaboration with Scoot and the rest of the Singapore Airlines Group for future sustainable growth.

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 41 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.

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Consolidated Income Statement

For the Third Quarter Ended 31 December 2015 (in SGD'000)

	The Group			The Group		
	3 rd Quarter FY16	3 rd Quarter FY15 (restated)	Increase/ (decrease) %	9 months FY16	9 months FY15 (restated)	Increase/ (decrease) %
Revenue						
Passenger seat revenue	143,371	148,263	(3.3)	398,613	394,481	1.0
Ancillary and other revenue	38,512	35,651	8.0	110,391	109,062	1.2
Lease rental income	5,497	723	n.m	14,567	1,686	n.m
Total revenue	<u>187,380</u>	<u>184,637</u>	1.5	<u>523,571</u>	<u>505,229</u>	3.6
Expenses						
Fuel costs:						
Actual fuel costs	(43,471)	(65,177)	(33.3)	(139,214)	(216,101)	(35.6)
Fuel hedging loss	(12,873)	(10,133)	27.0	(37,394)	(11,325)	n.m
Staff costs	(21,928)	(20,792)	5.5	(61,946)	(64,712)	(4.3)
Aircraft rentals	(23,712)	(15,708)	50.9	(66,744)	(49,242)	35.5
Airport and handling	(23,208)	(22,468)	3.3	(65,604)	(67,286)	(2.5)
Maintenance, material and repair	(24,555)	(18,275)	34.4	(72,898)	(54,053)	34.9
Route charges	(5,523)	(5,290)	4.4	(13,419)	(15,654)	(14.3)
Marketing and distribution costs	(6,090)	(5,897)	3.3	(19,250)	(17,292)	11.3
Depreciation and amortisation	(10,317)	(8,231)	25.3	(30,957)	(24,552)	26.1
General and administrative costs	(2,275)	(2,664)	(14.6)	(7,137)	(6,260)	14.0
Exchange loss	(1,479)	(3,776)	(60.8)	(3,227)	(10,134)	(68.2)
Others	(1,901)	(2,131)	(10.8)	(5,625)	(6,219)	(9.6)
Total expenses	<u>(177,332)</u>	<u>(180,542)</u>	(1.8)	<u>(523,415)</u>	<u>(542,830)</u>	(3.6)
Operating profit /(loss)	10,048	4,095	n.m	156	(37,601)	n.m
Finance income	517	366	41.3	1,275	1,592	(19.9)
Finance expense	(2,793)	(2,019)	38.3	(7,977)	(5,837)	36.7
Gain on disposal of aircraft	–	–	n.m	–	1,167	(100.0)
Share of loss of associate	–	–	n.m	–	(35,328)	(100.0)
Shutdown costs of PT Mandala Airlines	–	2,804	(100.0)	–	(11,810)	(100.0)
Loss on disposal of an associate	–	(2,618)	(100.0)	–	(4,618)	(100.0)
Loss arising from planned disposal of a joint venture	–	–	n.m	–	(59,766)	(100.0)
Provision for onerous aircraft leases	–	–	n.m	–	(99,326)	(100.0)
Professional fee related to general offer	(880)	–	n.m	(880)	–	n.m
Profit / (loss) before taxation	<u>6,892</u>	<u>2,628</u>	n.m	<u>(7,426)</u>	<u>(251,527)</u>	(97.0)
Taxation	(111)	(435)	(74.5)	(233)	6,116	n.m
Profit / (loss) for the period	<u><u>6,781</u></u>	<u><u>2,193</u></u>	n.m	<u><u>(7,659)</u></u>	<u><u>(245,411)</u></u>	(96.9)
Earnings/ (loss) per share (cents)						
Basic	0.27	0.18		(0.31)	(22.06)	
Diluted	0.27	0.15		(0.31)	(22.06)	

n.m – not meaningful or variance is greater than 100%