

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 shape under the letter 'i' that resembles a tiger's tail or a stylized 'u'.

**quarter ended 30 september 2014**  
**2QFY15 results**

**17 October 2014**



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 young women smiling and leaning on a green metal railing. The woman on the left is holding a camera and taking a picture. The woman on the right is looking towards the camera. In the background, there is a building with large windows and a flagpole with a red and white flag. The overall scene is bright and sunny, suggesting a travel or vacation setting.

tigerair

Group

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

# Income statement

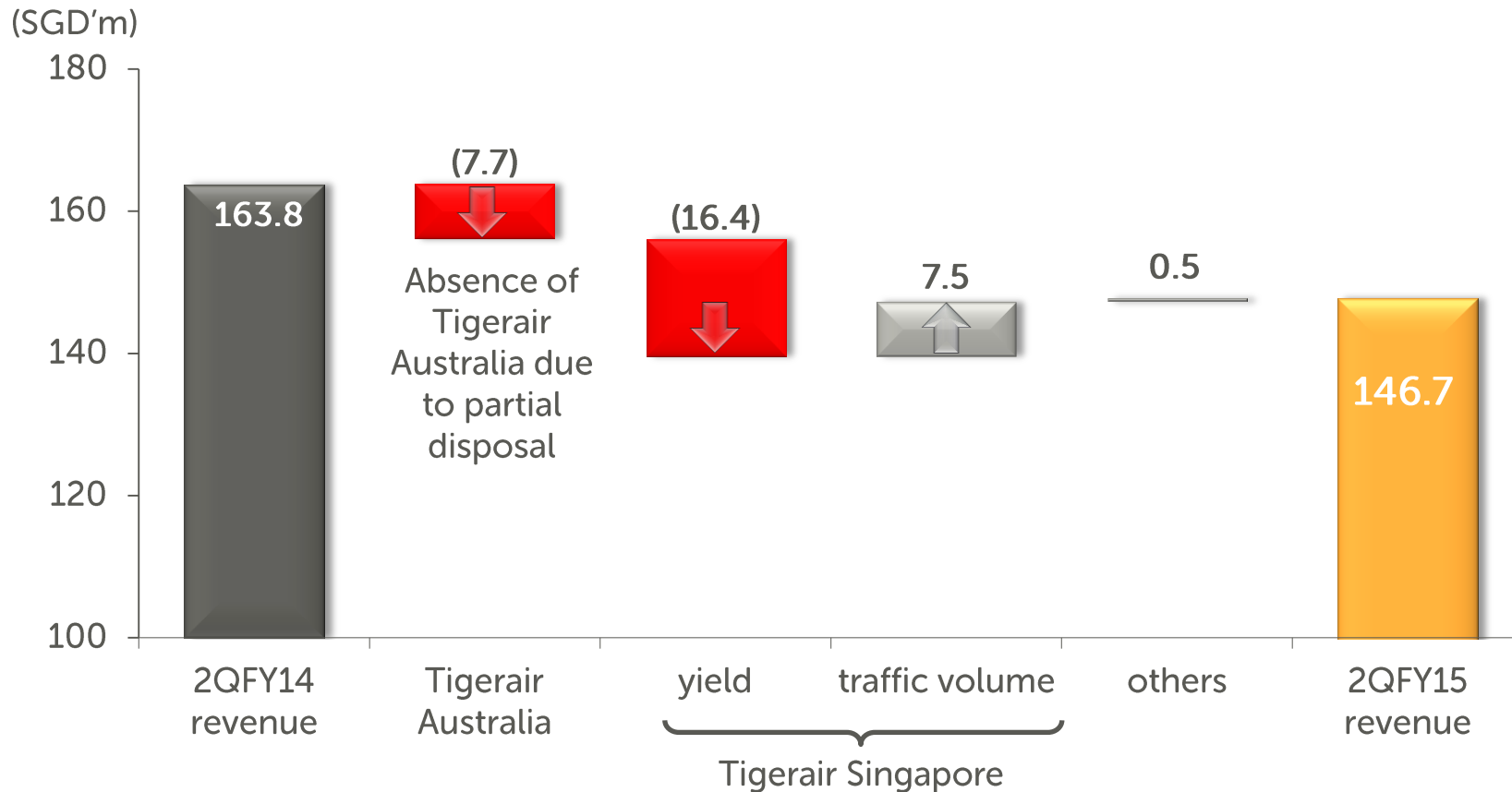


SGD'm	2QFY15	2QFY14	% chg	1HFY15	1HFY14	% chg
revenue	146.7	163.8	(10.5)	315.7	400.0	(21.1)
expenses	172.0	176.6	(2.6)	357.4	419.0	(14.7)
operating profit/(loss)	(25.3)	(12.8)	97.5	(41.7)	(19.0)	119.3
net profit/(loss) after tax	(182.4)	23.8	n.m.	(247.6)	(8.9)	n.m.
basic (loss) per share (cents)	(18.47)	2.42	n.m.	(25.08)	(0.91)	n.m.

- Tigerair recorded loss after tax of \$182.4m in 2QFY15
- This was mainly due to the weaker operating performance of Tigerair Singapore, and one-off accounting provisions mainly relating to
  - onerous aircraft leases (\$99.3m)
  - planned disposal of remaining 40% stake in Tigerair Australia (\$59.8m)

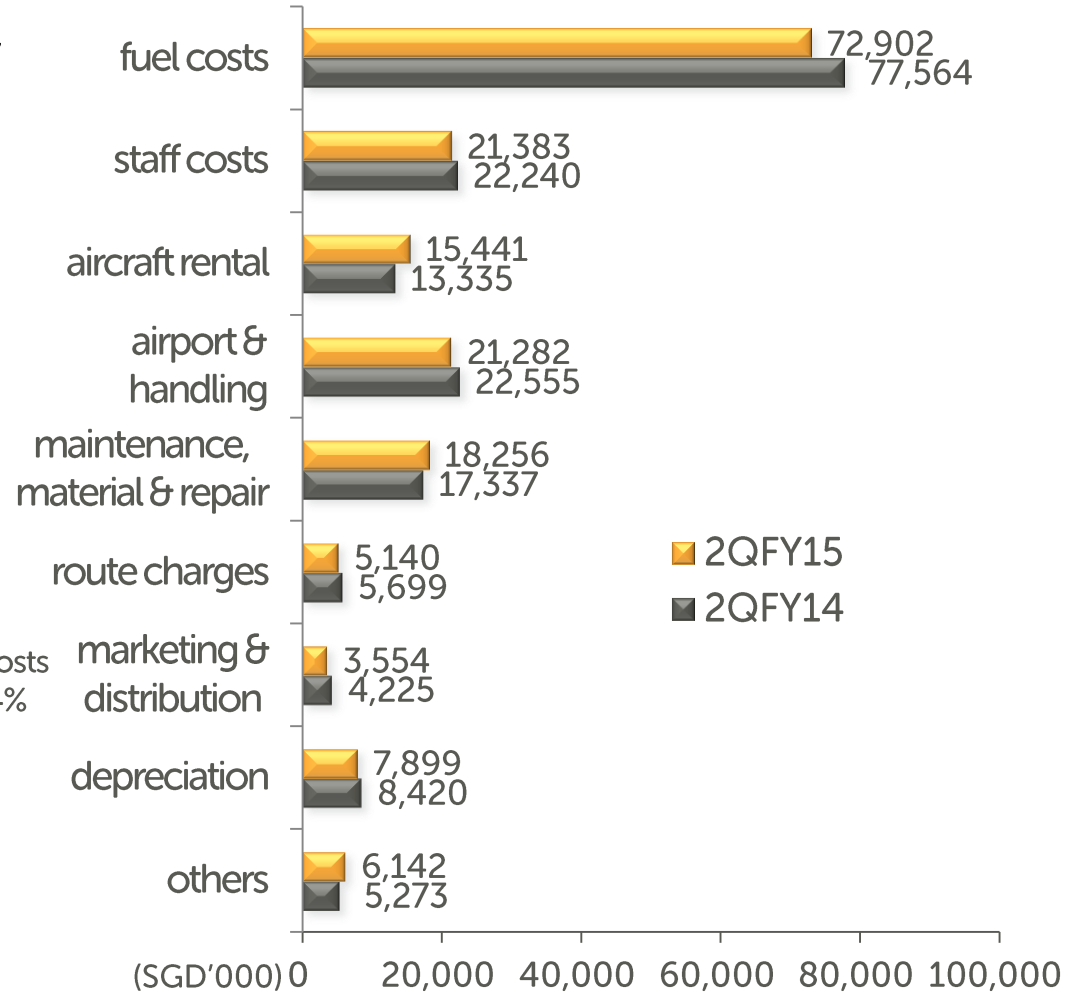
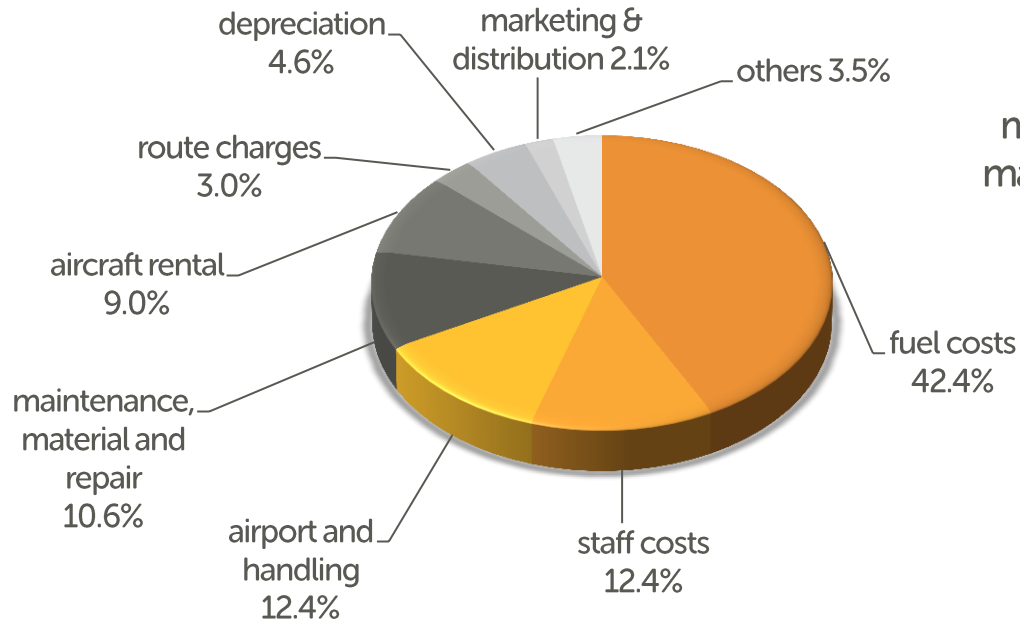
# 2QFY15 revenue

- Decline in Group revenue to \$146.7 (-10.5%) was mainly due to weaker yields from Tigerair Singapore, despite an increase in traffic volume



# 2QFY15 expenses

- Lower expenses of \$172.0m (-2.6%) mainly due to exclusion of Tigerair Australia.



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# Tigerair Singapore

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SGD'm	2QFY15	2QFY14	% chg	1HFY15	1HFY14	% chg
total revenue	143.9	151.3	(4.9)	309.9	312.2	(0.7)
total expenses	175.2	169.4	3.4	361.0	324.3	11.3
operating profit/(loss)	(31.3)	(18.1)	73.2	(51.1)	(12.1)	n.m.

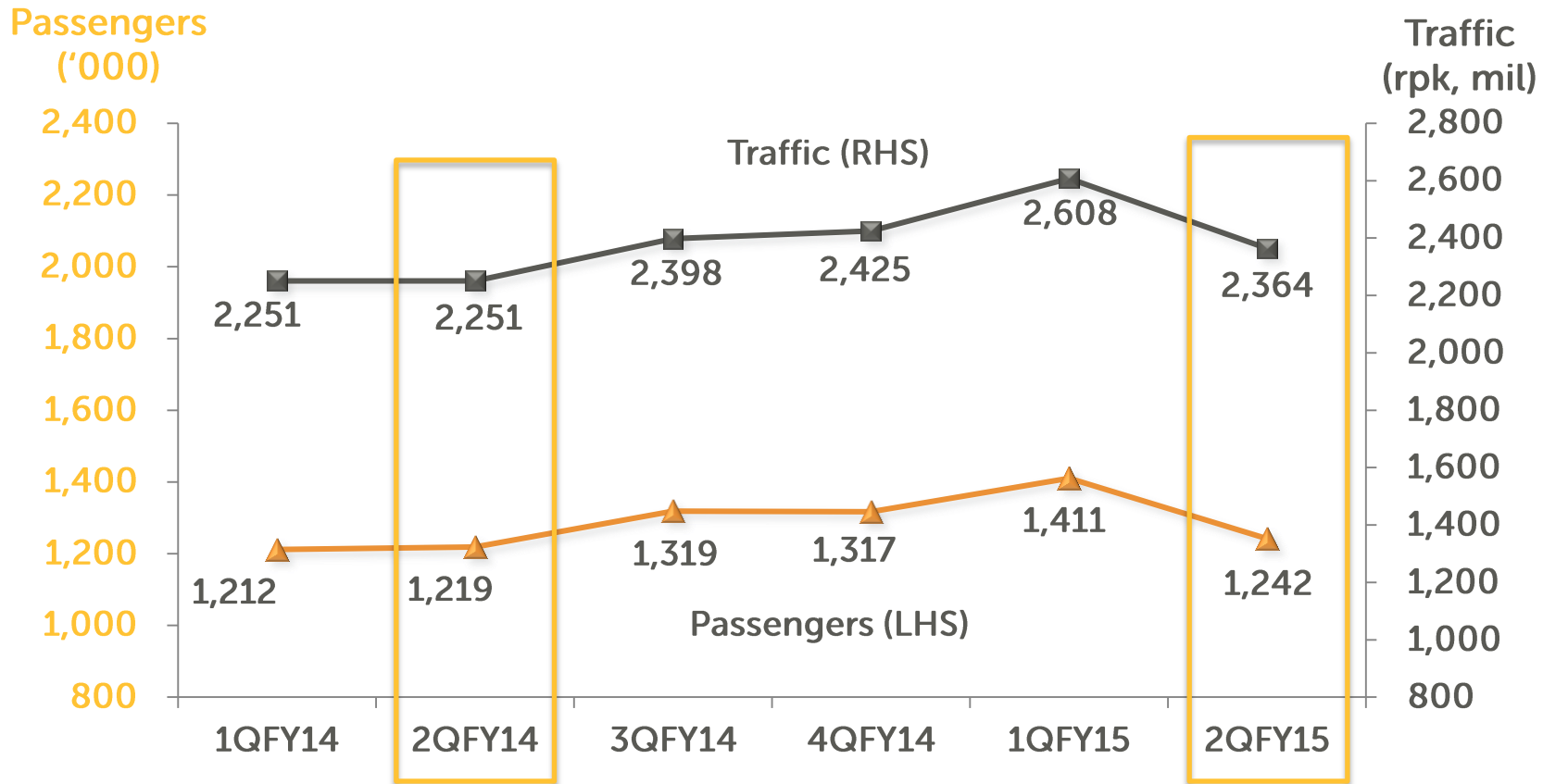
## 2QFY15 Results

- Revenue declined by 4.9% to \$143.9m, on weaker yields (-10.4% to 5.95 cents/rpk), partially mitigated by stronger load factor (+4.0ppt to 82.5%)
- Cost per ASK rose by 3.5% to 6.12 cents/ask as expenses increased (+3.4%), while capacity decreased marginally (-0.1%).
- Operating loss widened to \$31.3m, compared to \$18.1m a year ago.

# Passengers & Traffic



- 5.0% y-o-y increase in traffic
- 1.9% y-o-y increase in number of passengers carried



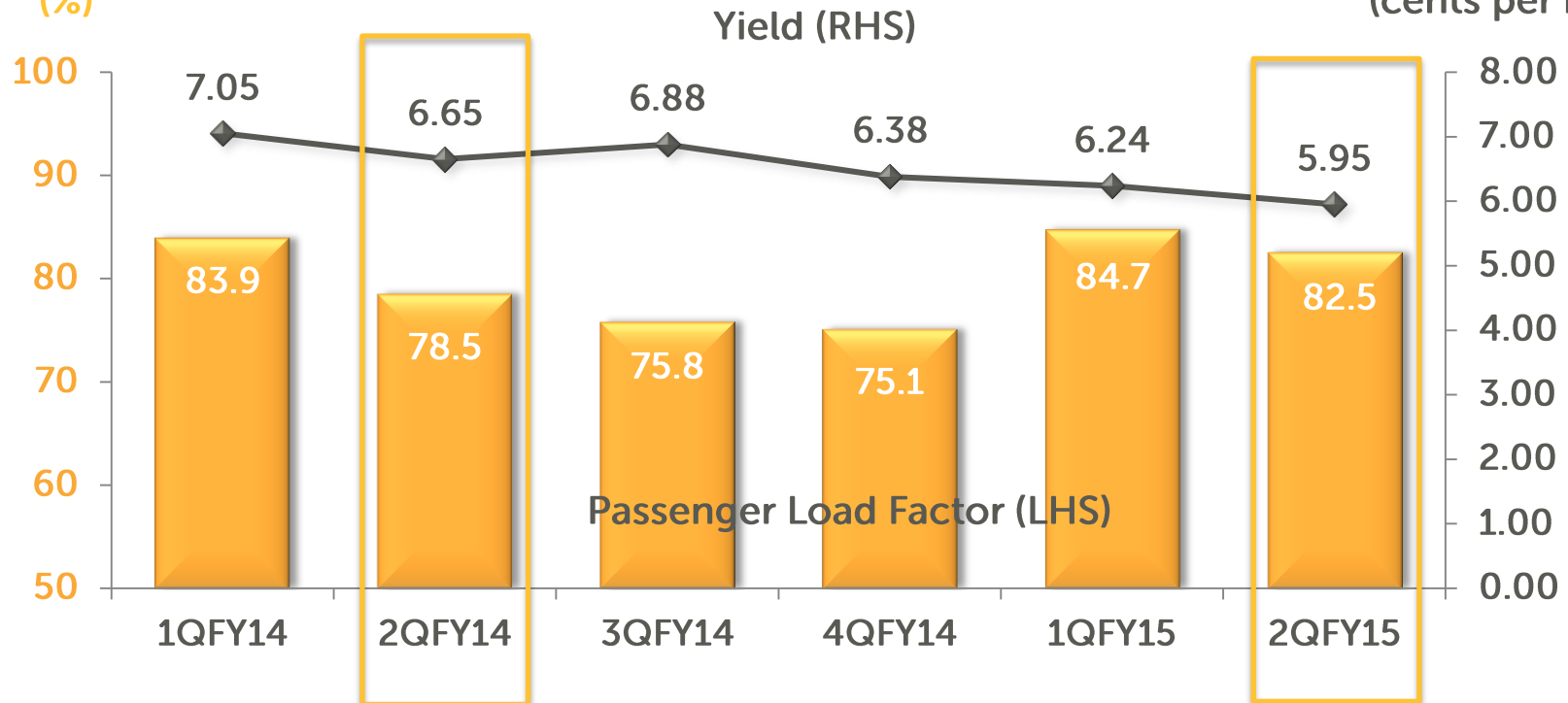


# Load factor & Yield

- 4.0 ppt y-on-y growth in passenger load factor as traffic volume grew while capacity decreased marginally
- 10.4% y-o-y decline in yield to 5.95 cents/rpk

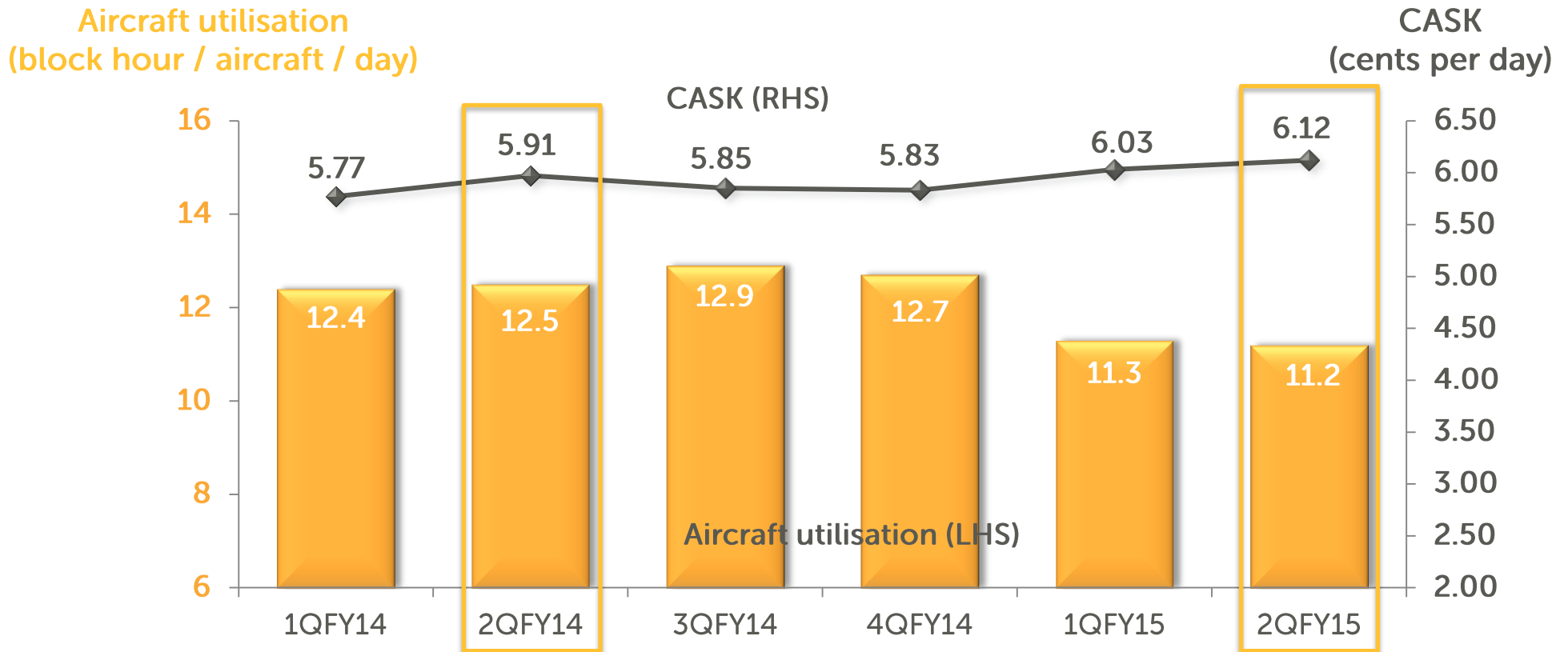
Passenger Load Factor (%)

Yield (cents per rpk)



# Aircraft utilisation & CASK

- 3.5% y-o-y increase in cost per ASK to 6.12 cents/ASK
- 10.4% y-o-y decline in aircraft utilisation to 11.2 hours/aircraft/day



# Operating statistics



Tigerair Singapore	2QFY15	2QFY14	% chg	1HFY15	1HFY14	%chg
passengers booked (thousands)	1,242	1,219	1.9%	2,653	2,432	9.1%
revenue passenger-kilometre, rpk (m)	2,364	2,251	5.0%	4,973	4,503	10.4%
available seat-kilometre, ask (m)	2,865	2,867	(0.1)%	5,946	5,551	7.1%
passenger load factor, rpk/ask (%)	82.5	78.5%	4.0 ppt	83.6	81.1	2.5ppt
fare per passenger (\$)	91.7	96.4	(4.9)%	92.8	101.0	(8.1)%
ancillary and other revenue per passenger (\$)	21.6	26.3	(17.9)%	21.6	27.4	(16.5)%
revenue per rpk (cents)	5.95	6.65	(10.4)%	6.10	6.85	(10.9)%
cost per ask, cask (cents)	6.12	5.91	3.5%	6.07	5.84	3.9%
cask excluding fuel and forex (cents)	3.50	3.34	4.6%	3.46	3.30	4.9%
breakeven load factor (%)	102.7	88.9	13.8 ppt	99.5	85.3	14.2ppt
aircraft utilisation (block hours/aircraft/day)	11.2	12.5	(10.4)%	11.2	12.4	(9.7)%
average sector length flown (km)	1,887	1,829	3.2%	1,854	1,844	0.5%

# Disposal of Tigerair Australia

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# Disposal of Tigerair Australia



**Purchaser:** Virgin Australia

**Consideration:** AUD1.00

**Rationale:**

- The Board is of the view that a divestment would be in the best interests of the Company's shareholders
- Post-divestment, Tigerair will channel its resources towards the execution of its turnaround plan
- Tigerair will continue to derive from Tigerair Australia additional income from agreements relating
  - to the use of Tigerair brand
  - Tigerair website access and merchant services

**Loss from proposed disposal:** SGD59.8 million

- impairment of shareholder loans
- provisions for share of potential losses from the disposal of Tigerair Australia's future aircraft deliveries

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# Proposed rights issue Becoming a subsidiary of SIA

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The Company is proposing to undertake a renounceable non-underwritten rights issue of up to 1.2 billion new shares to raise up to \$234 million.

Summary of rights issue	
Price	\$0.20
Size	up to 1.2 billion rights shares to raise up to \$234m
Discount	26% to TERP of \$0.269 per share 39% to one-day VWAP of \$0.328 per share on 16 October 2014
Ratio	85 rights share for every 100 existing shares

## Rationale


- Strengthen financial position by raising equity
- Meet the Group's corporate funding requirements
- Allow minority shareholders to participate to minimise the dilution to their shareholdings

Controlling shareholder, Singapore Airlines Limited (“SIA”), has undertaken to:

- convert its PCCS (perpetual convertible capital securities) holdings into ordinary shares prior to the book closure date, upon approval of the rights issue;
  - post-conversion, SIA’s stake in Tigerair will increase from 40% to approximately 55%
    - Tigerair effectively becomes a subsidiary of SIA post-conversion
- subscribe for its *pro rata* entitlement and also for excess rights shares, up to a total of \$140m



# Outlook

The background of the advertisement is a photograph of a tropical resort pool. In the foreground, a woman with long dark hair, wearing a blue t-shirt and yellow shorts, is sitting on a wooden deck by the pool's edge. She is smiling and holding a drink with a straw. In the middle ground, a young girl in a pink dress is splashing water in the pool. In the background, there are several lounge chairs with blue cushions, white umbrellas, and palm trees under a clear sky. The overall atmosphere is bright and cheerful.

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- Going forward, the Group expects yield and load factors to remain under pressure
- The Group will continue to focus on managing costs, optimising yields and rationalising its service network



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**thank you**

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