Media Release **17 October 2014**

Tigerair steps up turnaround plan

- Tigerair's 2QFY15 one-off charges amount to S$161.1 million, resulting in after tax loss of S$182.4 million
- One-off charges due to subleasing of surplus aircraft and exit from Tigerair Australia
- Proposes up to S$234 million rights issue with SIA undertaking to subscribe for up to S$140 million of rights shares
- SIA will convert its PCCS into ordinary shares, increasing its stake to approximately 55% before the rights issue

Financial Results 2QFY15

Tiger Airways Holdings Limited ("Tigerair" or the "Group") has reported an operating loss of S$25.3 million for the quarter ended 30 September 2014 ("2QFY15"), compared to an operating loss of S$12.8 million recorded in the previous corresponding quarter ("2QFY14").

Total revenue declined by 10.5% to S$146.7 million in 2QFY15, while total expenses decreased 2.6% to $172.0 million year-on-year. The contraction is mainly due to the weaker operating performance of Tigerair Singapore.

Tigerair Singapore recorded an operating loss of S$31.3 million for the quarter compared to S$18.1 million a year ago. Revenue decreased by 4.9% to S$143.9 million on the back of a rationalisation of Tigerair Singapore's network. The resulting improvement in load factor (+4 percentage point), was nevertheless offset by lower yields (-10.4%). Expenses increased by 3.4% to $175.2 million on higher unit cost (+3.1%).

The Group recorded loss after tax of S$182.4 million in 2QFY15, compared to profit after tax of S$23.8 million a year ago. In total, the Group recorded one-off accounting provisions aggregating S$161.1 million in 2QFY15, mainly comprising S$99.3 million relating to the sublease of surplus aircraft and S$59.8 million for the divestment of Tigerair Australia.

The provision for sublease of surplus aircraft is higher than the S$93.0 million previously announced in the IndiGo transaction, because it includes an additional provision of S$6.3 million for a further two to four aircraft that may potentially be subleased.

On 16 October 2014, the Group signed an agreement with Virgin Australia to sell its remaining 40% stake in Tigerair Australia for AUD1. The branding and website distribution arrangements continue and the Group will still obtain franchise revenues. Taking into account impairment of shareholder loans and having made provisions for share of potential losses from the disposal of Tigerair Australia's future aircraft deliveries, the Group has recorded a S$59.8 million charge in relation to this planned divestment.

Rights Issue

To strengthen the Group's balance sheet, Tigerair plans to raise up to S$234 million in a renounceable non-underwritten 85 for 100 rights issue (the "Rights Issue"). The issue will be 1.2 billion new ordinary shares (the "Rights Shares") at an issue price of S$0.20 per Rights Share, representing a 39% discount to the one-day volume weighted average price ("VWAP") of S$0.33 per Share on 16 October 2014.

Tigerair's largest shareholder, Singapore Airlines Limited ("**SIA**"), has undertaken to subscribe for its *pro rata* entitlement, and also subscribe for excess Rights Shares, up to a total of S$140 million. Prior to the Rights Issue, SIA will convert its perpetual convertible capital securities ("**PCCS**") holdings into Shares. The conversion will raise SIA's stake in Tigerair from 40% to approximately 55% before the Rights Issue, effectively making Tigerair a subsidiary of SIA. SIA will not be making a general offer as Tigerair's minority shareholders had approved a whitewash resolution in March 2013 to waive their rights to receive a general offer as a result of the PCCS conversion.

The Rights Issue is subject to shareholders' approval at an extraordinary general meeting on a date to be announced. The Rights Issue is expected to be completed in January 2015.

Mr Lee Lik Hsin, Group CEO of Tigerair, said, "We resolved our excess capacity issues through the sublease arrangements made for the surplus aircraft, and we also stemmed further losses from our overseas venture.

"We are heartened by SIA's support in this Rights Issue. We are already working closely with Scoot, and look forward to further collaboration with the rest of the SIA Group."

About Tigerair

Tigerair, established in 2004, 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, the Group operates flights to over 50 destinations across Asia Pacific countries such as Singapore, Australia, Bangladesh, Cambodia, Greater China, India, Indonesia, 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:
Karin Lai
DID: (65) 6422 2336
Email: investorrelations@tigerair.com

Consolidated Income Statement

For the Second Quarter and Half Year ended 30 September 2014 (in SGD'000)

	The Group		The Group	
	2nd Quarter FY15	2nd Quarter FY14	6 months FY15	6 months FY14
Revenue				
Passenger seat revenue	113,898	124,059	246,218	307,372
Ancillary revenue	32,807	39,783	69,527	92,646
Total revenue	146,705	163,842	315,745	400,018
Expenses				
Fuel costs:				
Actual fuel costs	71,531	77,950	150,924	174,914
Fuel hedging (gain)/loss	1,371	(386)	1,192	115
Staff costs	21,383	22,240	43,920	58,320
Aircraft rental	15,441	13,335	33,534	33,493
Airport and handling	21,282	22,555	44,818	49,638
Maintenance, material and repair	18,256	17,337	35,778	42,605
Route charges	5,140	5,699	10,364	16,441
Marketing and distribution costs	3,554	4,225	6,548	11,203
Depreciation and amortisation	7,899	8,420	16,321	17,235
Exchange (gain)/loss	3,016	52	6,358	2,964
Others	3,126	5,221	7,684	12,103
Total expenses	171,999	176,648	357,441	419,031
Operating profit/(loss)	(25,294)	(12,806)	(41,696)	(19,013)
Finance income	588	2,217	1,226	3,840
Finance expense	(1,887)	(2,214)	(3,818)	(4,424)
Gain/(loss) on disposal of aircraft	1,167	1,058	1,167	1,891
Share of gain/(loss) of associates and joint venture	–	(23,963)	(35,328)	(50,519)
Shutdown costs of PT Mandala Airlines	–	–	(14,614)	–
Loss on disposal of an associate	(2,000)	–	(2,000)	–
Loss arising from planned disposal of a joint venture	(59,766)	–	(59,766)	–
Provision for onerous aircraft leases	(99,326)	–	(99,326)	–
Gain on loss of control of subsidiary	–	106,078	–	106,078
Impairment of associates	–	(48,307)	–	(48,307)
Profit/(loss) before taxation	(186,518)	22,063	(254,155)	(10,454)
Taxation	4,136	1,758	6,551	1,506
Profit/(loss) for the period	(182,382)	23,821	(247,604)	(8,948)
Earnings/(loss) per share (cents)				
Basic	(18.47)	2.42	(25.08)	(0.91)
Diluted	(18.47)	1.86	(25.08)	(0.91)