

## **Tigerair Records Losses in 1Q**

Tiger Airways Holdings Limited (“Tigerair”) has reported an operating loss of \$16.4 million for the quarter ended 30 June 2014 (“1QFY15”), compared to an operating loss of \$6.2 million recorded in the previous corresponding quarter (“1QFY14”).

Total revenue declined by 28.4% to \$169.0 million in 1QFY15, while total expenses fell 23.5% to \$185.4 million year-on-year. The contraction is 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 widened to \$65.2 million compared to \$32.8 million a year ago. During the quarter, share of loss in P.T. Mandala Airlines (“Mandala”) amounted to \$35.3 million. In addition, the Group recorded a \$14.6 million provision for Mandala’s shutdown costs as the airline ceased operations from 1 July 2014.

Mr Lee Lik Hsin, Group CEO said, “Despite the competitive operating conditions faced by Tigerair Singapore, our first quarter results showed a slight improvement over the last quarter. The financial performance was weighed down by share of loss from Mandala, and shutdown costs in relation to the cessation of operations in Indonesia. With the cessation, the Group will no longer be exposed to loss-making Mandala.”

### Operations Review (1QFY15)

Tigerair Singapore recorded an operating loss of \$19.8 million for the quarter compared to an operating profit of \$5.9 million a year ago. This was nevertheless an improvement over the operating loss of \$29.4 million recorded in the quarter ended 31 March 2014.

Tigerair Singapore’s revenue grew by 3.2% to \$166.0 million, on the back of higher capacity (+14.8%) and stronger load factor (+0.8 percentage point), partially offset by lower yields (-11.5%). Expenses went up by 19.9% to \$185.8 million due to increased capacity and higher unit cost (+4.5%).



As the Group has capped its share of loss to its net investment in Tigerair Australia, it did not recognise its share of loss from Tigerair Australia during the quarter. Currently, the airline has a fleet of 13 aircraft and its network covers 14 domestic destinations.

### Outlook

Tigerair Singapore continues to operate in a challenging environment due to persistent oversupply of capacity in the region. The cessation of operations by Mandala has led to the return of four aircraft to the Group, even as plans for the grounding of eight other aircraft in FY15 are being executed. The Group will seek to place out the surplus aircraft.

The Group continues to focus on cost discipline, rationalising its network and improving operational efficiency.

### **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](http://www.tigerair.com)

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## Consolidated Income Statement

For the First Quarter Ended 30 June 2014 (in \$'000)

	The Group	
	1 <sup>st</sup> Quarter FY15	1 <sup>st</sup> Quarter FY14
<b>Revenue</b>		
Passenger seat revenue	132,320	183,313
Ancillary revenue	36,720	52,863
<b>Total revenue</b>	<u>169,040</u>	<u>236,176</u>
<b>Expenses</b>		
Fuel costs:		
Actual fuel costs	79,393	96,964
Fuel hedging (gain)/loss	(179)	501
Staff costs	22,537	36,081
Aircraft rental	18,093	20,158
Airport and handling	23,536	27,083
Maintenance, material and repair	17,522	25,267
Route charges	5,224	10,743
Marketing and distribution costs	2,994	6,979
Depreciation and amortisation	8,422	8,815
Exchange (gain)/loss	3,342	2,912
Others	4,558	6,879
<b>Total expenses</b>	<u>(185,442)</u>	<u>(242,382)</u>
<b>Operating profit/(loss)</b>	(16,402)	(6,206)
Finance income	638	1,624
Finance expense	(1,931)	(2,209)
Gain/(loss) on disposal of aircraft	–	832
Share of gain/(loss) of associates and joint venture	(35,328)	(26,557)
Shutdown costs of PT Mandala Airlines	(14,614)	–
<b>Profit/(loss) before taxation</b>	(67,637)	(32,516)
Taxation	2,415	(253)
<b>Profit/(loss) for the period</b>	<u>(65,222)</u>	<u>(32,769)</u>
<b>Earnings/(loss) per share (cents)</b>		
Basic	(6.61)	(3.32)
Diluted	(6.61)	(3.32)