



## **TIGER AIRWAYS HOLDINGS LIMITED<sup>1</sup>**

(Incorporated in the Republic of Singapore) Company Registration Number: 200701866W

### **TIGER AIRWAYS REPORTS \$23.5 MILLION OPERATING PROFIT IN THIRD QUARTER**

- Operating profit of \$23.5 million for the quarter ended 31 December 2009, versus a loss of \$5.1 million for the same quarter last year
- Net profit after tax of \$14.1 million, after providing for \$7.2 million of IPO-related expenses
- Result driven by 88% load factor, 5 percentage points improvement over the same quarter last year

Singapore, 25 February 2010. Tiger Airways Holdings Limited (“the Company”) today announced strong growth in profitability for the quarter ended 31 December 2009.

Operating profit for the quarter ended 31 December 2009 was \$23.5 million, an operating profit margin of 17% on revenue of \$139.5 million. Net profit after tax for the quarter was \$14.1 million, a \$22 million turnaround compared to the 3<sup>rd</sup> quarter of the previous financial year.

The result was supported by revenue growth of 29% from \$107.8 million to \$139.5 million representing a 54% increase in passenger numbers. The growth in passenger numbers was at a faster pace than the increase in seat capacity (+46%) pushing passenger load factor to 88%, a 5 percentage points improvement over the previous year. Unit cost as measured by Cost per Available Seat Kilometre (CASK), was 16% lower than the previous year, whilst CASK excluding fuel decreased by 4%.

Tony Davis, President and Group CEO, said: “We are pleased to deliver a strong financial result for the quarter ended 31 December 2009, driven by traffic growth across both our “Cubs” (a term we use to refer to our two operating airlines), increasing ancillary revenues and a focus on cost containment. With this result, our year to date underlying operating profit, excluding fuel hedging losses of \$22.2 million and IPO related expenses of \$7.6 million, was \$36.6 million, a \$68 million turnaround from the previous financial year.

“The result demonstrates that we have the right model in the right markets. In fact, Tiger Airways Australia has been profitable for two successive quarters, proving that our Australian business has exited the start-up phase at a faster pace compared to the Singapore business, and is well positioned for growth going forward.

“Our model is about providing passengers with the lowest airfares. What was most pleasing is that we achieved this profitable result with a 19% reduction in average passenger fares. We will continue to focus on reducing our operating costs, which in turn will allow us to offer our passengers even lower fares.

“The relentless focus on cost containment has pushed controllable costs (i.e. costs excluding fuel) per seat down 17% year-on-year for the 9 months to 31 December 2009. By generating seats at the lowest cost, we can provide the lowest airfares on a sustainable basis, and consumers across the Asia Pacific region have certainly embraced our product,” said Tony Davis.

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<sup>1</sup> The initial public offering of the Company was sponsored by Citigroup Global Markets Singapore Pte. Ltd. and Morgan Stanley Asia (Singapore) Pte. (the ‘Joint Issue Managers’). The Joint Issue Managers assume no responsibility for the contents of this announcement.

On the back of these results, Tiger Airways has continued to grow. In Singapore, it commenced twice daily Hong Kong services this month, and will evaluate further expansion into Greater China and India. In Australia it commenced twice daily Sydney-Gold Coast services this month, and will inaugurate five daily services into Brisbane by the end of next month. It will also continue to grow its ancillary services. For instance, trials on cargo services, which started in January on five routes, will be extended to six more destinations in Asia by the end of the month – Hong Kong, Macau, Shenzhen, Guangzhou, Hanoi and Ho Chi Minh City.

#### Outlook Statement from the Company

Our relentless focus on cost containment will continue. We have accepted delivery of our first two Export Credit Agency (ECA) financed aircraft which will save us aircraft financing costs. Further, we will introduce additional cost control measures such as leather seats on all future aircraft deliveries to save on ongoing maintenance costs.

We believe that our focus on cost containment and our offer of lower fares to customers will continue to bear fruit heading into the fourth quarter. Forward bookings for the remainder of the financial year continue to be healthy and broadly in line with the recent trend.

In light of the improving economic environment in the Asia Pacific region, we will continue to look at opportunities to set up new tiger “Cubs”, and to grow our existing businesses.

#### **ABOUT TIGER AIRWAYS HOLDINGS LIMITED**

Established in September 2004, Tiger Airways now operates a fleet of 19 Airbus A320-family aircraft and is committed to increasing its fleet size to 68 by December 2015. The airline operates flights to 33 destinations across 11 countries and territories in Asia and Australia from its aircraft bases in three locations – Singapore’s Changi Airport Budget Terminal, Tullamarine Airport in Melbourne and Adelaide Airport in South Australia.

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE THIRD QUARTER AND 9 MONTHS ENDED 31 DECEMBER 2009 (in \$ million)

	The Group		The Group	
	3 <sup>rd</sup> Quarter 2009-10	3 <sup>rd</sup> Quarter 2008-09	9 months 2009-10	9 months 2008-09
Passenger seat revenue	114.6	92.2	279.5	256.8
Ancillary revenue	24.9	15.6	66.1	34.4
<b>Total revenue</b>	<u>139.5</u>	<u>107.8</u>	<u>345.6</u>	<u>291.2</u>
<b>Expenditure</b>				
Staff costs	15.2	10.3	41.8	35.5
Depreciation	*	*	0.1	0.1
Fuel costs:				
Actual fuel costs	41.6	40.1	112.7	154.6
Fuel hedging losses/(gain)	0.2	9.6	22.2	(1.3)
Maintenance, material and repair	14.3	11.7	41.3	29.4
Marketing and distribution costs	1.9	2.3	4.5	5.8
Aircraft rental	17.3	15.8	52.8	42.7
Route charges	8.0	5.9	22.2	17.2
Airport and handling	14.1	10.1	33.1	21.7
Others	3.4	7.1	0.5	15.2
	<u>116.0</u>	<u>112.9</u>	<u>331.2</u>	<u>320.9</u>
<b>Operating profit/(loss)</b>	23.5	(5.1)	14.4	(29.7)
IPO related expenses	(7.2)	-	(7.6)	-
Finance (expense)/income, net	*	(0.1)	0.3	0.4
<b>Total other (expense)/income</b>	<u>(7.2)</u>	<u>(0.1)</u>	<u>(7.3)</u>	<u>0.4</u>
<b>Profit/(loss) before taxation</b>	16.3	(5.2)	7.1	(29.3)
Taxation	(2.2)	(2.5)	(1.2)	(3.6)
<b>Net profit/(loss) for the period</b>	<u><u>14.1</u></u>	<u><u>(7.7)</u></u>	<u><u>5.9</u></u>	<u><u>(32.9)</u></u>

\* Amount less than \$0.1m

## OPERATING STATISTICS

### FOR THE THIRD QUARTER AND 9 MONTHS ENDED 31 DECEMBER 2009

	3 <sup>rd</sup> Quarter 2009-10	3 <sup>rd</sup> Quarter 2008-09	9 Months 2009-10	9 Months 2008-09
Passengers (thousand) <sup>(1)</sup>	1,299.7	845.3	3,519.4	2,333.8
ASK (millions) <sup>(2)</sup>	1,961.6	1,599.7	5,748.1	4,808.2
Passenger load factor (%) <sup>(3)</sup>	87.6	83.0	85.2	79.9
Average passenger fares (\$)	88.2	109.0	79.4	110.0
Average ancillary revenues per passenger (\$)	19.1	18.5	18.8	14.7
Revenue per ASK (cents) <sup>(4)</sup>	7.11	6.74	6.01	6.06
CASK (cents) <sup>(5)</sup>	5.91	7.06	5.76	6.67
CASK excluding fuel (cents) <sup>(6)</sup>	3.78	3.95	3.41	3.49

(1) Number of earned seats flown by Tiger Airways

(2) Represents available seat kilometres, which is the available seat capacity multiplied by the number of kilometres those seats were flown

(3) Represents the number of passengers as a proportion to the available seat capacity (180 seats available for our Airbus A320 aircraft)

(4) Calculated as our total revenue divided by ASK

(5) Represents cost per available seat kilometre. Calculated as total operating costs divided by ASK

(6) Calculated as total operating costs (excluding fuel costs) divided by ASK