

**Singapore Airlines full-year net profit down 5.1%**  
**Malaysian Insider**  
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Singapore Airlines' (SIA) full-year profit fell 5.1% year-on-year after losses by associated companies and a huge US legal settlement, the leading Asian carrier said today, warning of a challenging outlook due to stiff competition.

The flag-carrier, considered a bellwether for the industry, said in a statement that net profit for the year to March 31 fell to S\$359.5 million (RM934.7 million) from S\$378.9 million a year ago.

Net profit in the three months to the end of March fell 60.5% to S\$27 million from S\$68.3 million in the same period last year.

"The operating environment for the group continues to be challenging with intense competition in many areas, and economic uncertainty in key markets," SIA said.

It said profits were dragged down by one-off losses and the weak full-year results of associated companies – mainly budget carrier Tiger Airways, of which it owns 40%.

SIA in December agreed to a S\$78 million dollar settlement in a class action suit filed in the United States against its freight arm SIA Cargo, but did not admit to any wrongdoing or liability.

The class action was taken against the Singaporean carrier as well as other airlines in 2006 following investigations into price-fixing in air cargo services in the US.

SIA said it suffered additional losses because of the diminished value of cargo aircraft pulled from its fleet and put up for sale.

Affiliate budget carrier Tiger Airways last week said net losses widened to S\$223 million in the year ended March, from S\$45.4 million a year ago, due to losses in regional operations.

SIA said passenger bookings in the current quarter are expected to match a planned increase in capacity in the peak summer season.

"However, yields are expected to remain under pressure due to promotional activities undertaken to support loads, and other airlines offering aggressive fares while increasing capacity," it warned.

Higher fuel costs as well as low yields by SIA Cargo due to global air freight overcapacity are continuing to hurt earnings, the airline said.

SIA, majority-controlled by Singapore state investment arm Temasek Holdings, is facing stiff competition from Middle Eastern and Asian carriers, as well as Asia's growing ranks of budget airlines.

The airline currently has a fleet of 103 passenger aircraft and its network, including regional wing SilkAir, flies to 107 destinations in 39 countries. – AFP, May 8, 2014.

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