



RETHINKING TRAVEL

ANNUAL REPORT 2013/14

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On Cover:

Passengers can take a breather from the hustle and bustle of travel to relax at the Enchanted Garden, the latest nature spot at Changi Airport.

RETHINKING TRAVEL

Travel has evolved to become an integral part of many people's lives, and the airport as a familiar touch-point of many travel journeys. In an era where demand for air travel continues to grow, and where competition in the dynamic aviation landscape is set only to intensify, the airport must progress beyond just being a mere interchange for aircraft.

Rethinking Travel tells the story of Changi Airport Group's (CAG) vision to redefine the concept of travel, and how it seeks to raise the bar for what an airport can be. Changi Airport, for passengers and visitors alike, is in itself a destination to discover, an adventure to enjoy. All that CAG does revolve around this thinking. Our efforts and innovations across multiple fronts – from growing the air hub, reinventing the airport experience, striving for retail innovation, to our major plans for new infrastructure – go towards achieving our ultimate vision of elevating the airport experience to an entirely different league.

Financial year 2013/14 saw many CAG initiatives that embodied the concept of Rethinking Travel. We continued to bring new exciting destinations to our passengers, with an expanding China network – Southeast Asia's largest – and connectivity to East Africa for the first time with the arrival of Ethiopian Airlines.

At Changi Airport, we continued our efforts to enhance passengers' experience, from the launch of major attractions including The Social Tree and Enchanted Garden, to new Fast and Seamless Travel options such as self check-in and self-boarding. Our commitment to provide an airport experience that is personalised, stress-free and positively surprising remained unflagging.

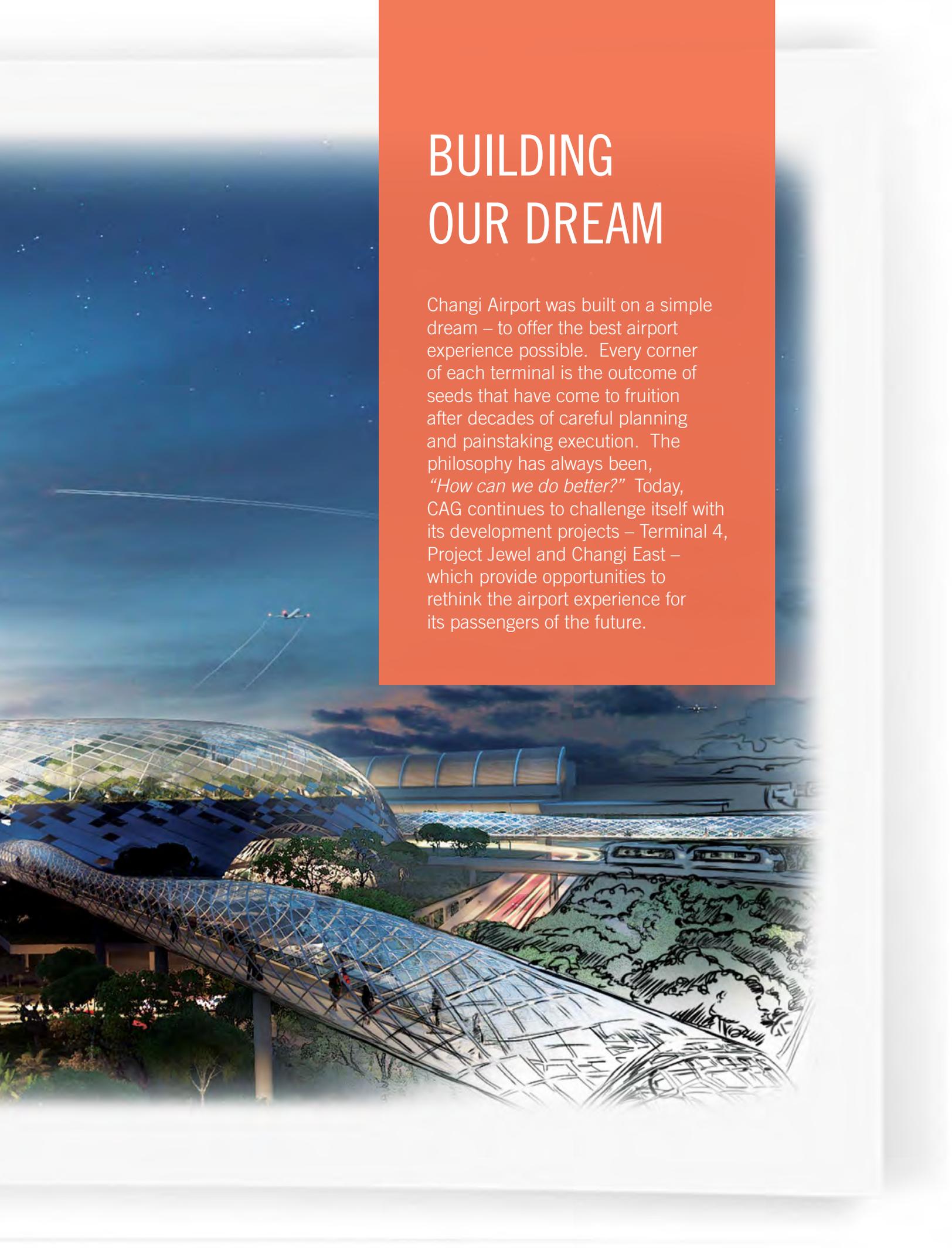
On the commercial front, CAG made its first foray into the world of e-commerce, together with the announcement of new retail concepts that will soon be introduced for two major concession categories.

The groundbreaking of Terminal 4 marked the beginning of construction of a new and exciting terminal that will feature design and process innovations to captivate and excite passengers, raise operational efficiency and manpower productivity. With Project Jewel – an iconic lifestyle destination coming up at the heart of the airport – CAG is anchoring Changi Airport's next phase of growth, while the Changi East development will secure the longer term success of the Singapore air hub.

These and other developments underscore CAG's constant philosophy of reinventing Changi Airport to ensure that it continues to inspire memories and ignite dreams, to cement its future for generations ahead.







BUILDING OUR DREAM

Changi Airport was built on a simple dream – to offer the best airport experience possible. Every corner of each terminal is the outcome of seeds that have come to fruition after decades of careful planning and painstaking execution. The philosophy has always been, *“How can we do better?”* Today, CAG continues to challenge itself with its development projects – Terminal 4, Project Jewel and Changi East – which provide opportunities to rethink the airport experience for its passengers of the future.





THE DOT THAT CONNECTS THE WORLD

Changi Airport may be the gateway to a little red dot, but its links cut across the world map. Operating a leading global air hub, CAG aspires to connect lives, bringing people from all over the world together with a dense network of city links. Having delivered a record-breaking year, Changi Airport has become the world's fifth busiest airport for international traffic – an achievement made possible only through the close-knit partnerships it shares with airlines.



SINGAPORE CHANGI AIRPORT

AN EXPERIENCE BEYOND IMAGINATION

From free Wi-Fi to refreshing gardens, from a rooftop swimming pool to movie theatres, there is much to see, do and enjoy at Changi Airport. As an airport, we aspire to be much more – beyond what you can imagine. Where travelling is fun, not stressful; energising, not draining. Where time flies by, rather than ticks on. And where our recipe of warmth, comfort and clockwork efficiency, with an extra dash of serendipity – makes for an unlikely wonderland.





THE SOCIAL TREE

A SHOPPER'S DELIGHT

With over 350 stores spanning 70,000 square metres, Changi Airport is nothing short of a retail paradise, a shopper's delight. In a dynamic market where consumer trends continually evolve and where shoppers are spoilt for choice, 'innovation' and 'transformation' are key words of CAG's vision. Together with our retail partners, we push boundaries to ignite game-changing ideas and refreshing concepts, to reach for the sky and elevate the retail experience at Changi.



f Singapore







TOUCHING HEARTS, CHANGING LIVES

Our aspiration to touch the hearts of people goes beyond the passengers we serve. As a corporate citizen, CAG is committed to make a positive difference to the youths in its local community – to motivate, support, and extend a helping hand as they journey to adulthood. It is our goal to leave a meaningful imprint on the lives of those we have the opportunity to nurture, inspiring them to strive for even greater heights.







HUMAN CAPITAL FOR GROWTH

CAG is mindful that its most important asset to drive growth is its human capital. Hence, our strong focus on the investment and development of CAG's 1,500 employees, many of whom are new to the organisation. In each employee, we seek to embody the Changi spirit of service and innovation. Growing and building this talent pool, both in strength and quality, is a key priority to secure Changi Airport's future.

| MISSION, VISION, VALUES |

OUR MISSION

To be the **WORLD'S LEADING AIRPORT COMPANY**,
growing a vibrant air-hub in **SINGAPORE** and enhancing the
communities we serve **WORLDWIDE**.

OUR VISION

EXCEPTIONAL PEOPLE, CONNECTING LIVES

We aspire to build a company where ordinary people achieve extraordinary results. Working together as a team, we bring great ideas to life and achieve exceptional results beyond our individual capabilities.



Customers are our inspiration. From the youngest child to the largest corporation, we understand that what we provide connects people in ways that will enhance their lives.

OUR VALUES

INTEGRITY

IS AT THE HEART OF EVERYTHING WE DO.

WE VALUE OUR PEOPLE

WE ARE COMMITTED TO OUR CUSTOMERS

WE ARE THE BEST IN OUR BUSINESS

WE SUCCEED WITH OUR PARTNERS

CORPORATE PROFILE

Changi Airport Group (Singapore) Pte Ltd (CAG) was formed on 16 June 2009 and the corporatisation of Changi Airport followed on 1 July 2009. As the airport company managing Changi Airport, CAG undertakes key functions focusing on airport operations and management, air hub development, commercial activities and airport emergency services.

Over the past three decades, CAG – previously as part of the Civil Aviation Authority of Singapore – has successfully established Changi Airport as the world's most awarded airport. With more than 460 accolades under its belt, Changi has come a long way since its humble beginnings in 1981, when Terminal 1 first opened.

One of the world's busiest international airports today, Changi Airport is a major air hub in Asia. It handled more than 53 million passenger movements in FY13/14, serving about 100 airlines flying to more than 270 cities in over 60 countries and territories worldwide. With over 70,000 square metres of commercial space across its three terminals, Changi Airport is also one of Singapore's best places for shopping and dining.

Increasingly, the airport has become a favourite haunt for Singapore residents, especially families.

To spread the success of Changi Airport far and wide, CAG invests in and manages foreign airports through its subsidiary, Changi Airports International (CAI). CAI's objective is to build a quality portfolio of airport investments worldwide with strong market potential and significant development potential. Its key business activities include investments in airports, as well as the provision of consultancy and airport management services. Today, CAI's presence covers major economies including China, India, the Middle East, South America and Europe.

At Changi Airport, there is immense pride in providing impeccable service and unrivalled capabilities to deliver the iconic Changi Experience. More than just a model of functionality, the Changi Experience is about connecting passengers and engaging them, in ways that enhance their lives. Every journey through Changi Airport is an opportunity to bring people together and to help them realise their aspirations.



| CHAIRMAN & CEO MESSAGE |

Chairman
LIEW Mun Leong

CEO
LEE Seow Hiang



Across Changi Airport Group (CAG) today, several transformation projects are taking place, to deliver a Changi Airport for Singapore's future needs, serving passengers for the decades to come. But even as we work on this exciting future, we continue to build on the solid fundamentals that have made Changi Airport what it is today. We look back on a successful FY13/14, which brought us closer to realising our vision.



CHAIRMAN & CEO MESSAGE

A GOOD YEAR ON ALL FRONTS

During the year, CAG augmented Changi Airport's position as a leading air hub across several fronts. We delivered healthy growth for both passenger traffic and retail sales, achieving 53.9 million passenger movements and concession sales of over S\$2 billion respectively, both record highs. These results placed Changi as the world's fifth busiest airport in terms of international passenger traffic, and fourth in the world for concession sales. Against a volatile operating backdrop, we saw growth moderating towards the end of the financial year. Nevertheless, the overall performance reflects strong underlying strategies across our business clusters to capture growth opportunities, and the close-knit partnerships with our key stakeholders.

Underpinning Changi Airport's success is the airport community's steadfast commitment to service excellence. For FY13/14, we were heartened to receive a total of 34 Best Airport awards given by various aviation bodies and travel publications, including Skytrax's World's Best Airport award for the fifth year and the Business Traveller Best Airport award for the 26th consecutive year. We were also immensely honoured to be recognised as a leader in service excellence, with our achievement of a score of 85.5 in the 2013 Customer Satisfaction Index of Singapore – the index's highest score ever across all industry sectors. We are thankful for passengers' continued affirmation and support.

STEADY GROWTH AMID CHALLENGES

Despite a more challenging market environment, passenger traffic at Changi Airport in FY13/14 registered steady growth of 3.7% – as travel demand adjusted to more sustainable levels following the robust double-digit growth post the 2008/09 financial crisis. Changi benefitted from strong traffic growth within Asia Pacific, with traffic to our top two country markets – Indonesia and Malaysia – increasing by 11% and 10% respectively.

In FY13/14, we further expanded our connectivity to the world, with the arrival of five new passenger airlines, namely Ethiopian Airlines, Golden Myanmar Airlines, Lucky Air, Regent Airways and SWISS. Ethiopian Airlines' direct one-stop service to Addis Ababa connects Changi to East Africa for the first time. We also acquired a number of new links to emerging secondary cities across Asia, including eight cities in China, as well as Kalibo in the Philippines, and Mandalay in Myanmar.

Despite the positive growth drivers, overall passenger traffic during the year was dampened by the impact of tumultuous events in the region, including political unrest in Thailand,

Typhoon Haiyan in the Philippines, and volcanic eruptions in Indonesia.

On the cargo front, industry conditions in FY13/14 were fraught with challenges, as growth in major economies around the world continued to be weak. We managed to turn in a resilient performance with total airfreight handled by Changi Airport remaining stable at about 1.84 million tonnes. A key highlight for the year was the addition of Turkish Airlines as a new freighter airline operating a weekly service between Singapore and Istanbul, an additional freighter city link for Changi.

While it is not possible for CAG to counter the vagaries of the aviation market, we remain committed to supporting the development of our air hub, through various cost-relief and incentive schemes for our airline partners, as well as marketing programmes to promote travel to and through Singapore. In FY14/15, we have launched the Growth and Assistance Incentive (GAIN) programme, under which CAG is committing S\$100 million to fund various initiatives and measures aimed at lowering costs for airlines, boosting passenger traffic and improving operational efficiency at Changi Airport.

ENHANCING EFFICIENCY AND EXPERIENCE

A smooth and efficient journey is a prerequisite for a great airport experience. As passenger volumes at Changi Airport continue to grow amid a tightening labour market, we have been making a concerted effort, together with our airport partners, to streamline processes to increase operational efficiency. This will enable us to meet our dual-objective of raising productivity, while delivering a better passenger experience. To this end, CAG is implementing a suite of fast and seamless travel (FAST) initiatives which involve the automation of airport processes through technology.

Two FAST initiatives were launched during the year. The first was the phased implementation of self-boarding gates, which streamlines the boarding process. The initial phase was conducted in partnership with Lufthansa, with a full roll-out across all our terminals planned subsequently. In addition, we worked with Jetstar Asia to adopt the 'Straight-to-Gate' initiative, which allows its passengers without any visa requirements and check-in baggage to bypass check-in counters. Both initiatives have resulted in time savings for passengers, as well as savings on manpower resources otherwise needed by the airlines.

Besides efficient processes, it is important to us that passengers have a delightful experience when they are at Changi Airport. We take pains to ensure that their basic

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needs for comfort are met by constantly refreshing our essential facilities. For instance, we rolled out 880 universal charging stations airport-wide, and increased seating capacity at Terminal 3 (T3). Beyond these, we also make it a point to introduce unique facilities to entertain, engage, and create memorable experiences. Two new facilities – The Social Tree at Terminal 1 (T1) and Enchanted Garden at Terminal 2 (T2) – were launched during the year. Both have since joined the likes of Kinetic Rain and Butterfly Garden as key attractions at Changi.

TRANSFORMING OUR RETAIL LANDSCAPE

FY13/14 was a milestone for CAG’s retail business, which saw the successful completion of leasing exercises for two major concessions – Liquor & Tobacco and Perfumes & Cosmetics. Given the importance of these categories in shaping the retail landscape at Changi Airport, we aimed to transform our anchor offerings by seeking the best ideas from the market.

We encouraged retailers to push the boundaries and offer us their most innovative concepts. And we achieved exceptional outcomes, with high quality proposals received from the industry’s best players. The awarding of the bids to DFS Group and Shilla Travel marked the beginning of an exciting journey for Changi Airport. We are working closely with both partners to roll out their exciting new store concepts, which include stunning duplex stores, an unrivalled array of offerings, and unique interactive experiences.

Another significant development on the retail front was the launch of Changi Airport’s very own online shopping portal, iShopChangi.com, our maiden venture in e-commerce. The portal, which offers a good range of popular duty-free products, provides passengers the convenience of shopping in the comfort of their homes, and for our tenants an additional sales channel.

During the year, we continued to refresh Changi Airport’s retail mix, bringing in nearly 20 new brands to both the transit and public areas, including popular names like Uniqlo, Michael Kors, Tory Burch, Muji to Go, as well as F&B favourites such as Paris Baguette, Poulet and Twelve Cupcakes.

For FY13/14, we achieved 7.9% growth in concession sales, outperforming passenger traffic growth for the year. A substantial part of the profit from our non-aeronautical business goes into covering the costs of airport operations, allowing us to keep aeronautical charges low and maintain the competitiveness of the Changi air hub.

SECURING CHANGI’S FUTURE

In order to ensure Changi Airport’s continued success as the gateway to the region, it is imperative that we plan well ahead for our long-term infrastructure needs. Many divisions within CAG are now working on three major development projects that would secure Changi’s future – namely, Terminal 4 (T4), Project Jewel (including the expansion of T1) and Changi East.

In FY13/14, we commenced construction works for T4, marking a significant milestone in our history. While it replaces the former Budget Terminal, T4 will be very different. We have learnt from our experience serving the low-cost carriers segment that regardless of carrier type, passengers expect the same level of comfort and experience when it comes to airport facilities, and they want a good shopping experience as well.

Hence, we are designing T4 to be a full-service terminal with attractive design and ambience, complete with a good range of facilities as well as retail and dining offerings. It will handle both full-service and low-cost carriers, with Cathay

CHAIRMAN & CEO MESSAGE

Pacific Airways being the first airline identified to operate there when it opens. Another special feature about T4 is our extensive roll-out of FAST options from check-in to boarding, offering passengers a refined travel experience with reduced waiting times.

Another medium-term development project that will strengthen Changi's air hub position going forward is the redevelopment of the open-air car park fronting T1. As part of this project, T1 will be expanded to increase its handling capacity, by creating more space for the arrival hall, baggage claim areas and ground transport facilities, including a much larger car park and additional taxi bays. On top of these expansion works, we thought hard about how we could best optimise the development of this site – strategically located right in the heart of the airport – to maximise returns to the air hub. In the face of intensifying competition from other air hubs in the region, we recognised this as a valuable opportunity to create something extraordinary that would be a game-changer for Changi Airport and Singapore.

In December 2013, we entered into a joint venture agreement with CapitaMalls Asia to jointly develop and manage Project Jewel, a mixed-use complex to be built on the T1 car park site. We are very excited about this project's potential, and what it can do for Changi Airport.

We envisage Project Jewel to be a world-class lifestyle destination that will capture global tourism mindshare, and influence passengers to choose Changi as their preferred transit point. It will be an iconic landmark that Singaporeans can enjoy and be proud of. The detailed plans for this project are being finalised, with construction expected to begin by the end of 2014.

Due to the long gestation period involved in airport developments, our planning goes beyond this decade. As part of the Changi 2036 Steering Committee, an inter-government task force led by the Ministry of Transport, we are working on the planning for Changi East – a massive long-term development project covering Terminal 5 (T5), a three-runway system, as well as all supporting infrastructure. With T5, we are looking at a mega terminal that will be one of the largest in the world. When ready around the mid-2020s, it will have a handling capacity of 50 million passengers per annum – approximately equivalent to what Changi Airport is currently handling at its three existing terminals. Involving extensive coordination among multiple agencies, the Changi East project is a major undertaking of an unprecedented magnitude in Singapore's aviation history. With T4, the T1 expansion and T5, we will double Changi Airport's handling

capacity to 135 million passengers per annum by the middle of the next decade.

INTERNATIONAL BREAKTHROUGHS

Through our wholly-owned subsidiary Changi Airports International (CAI), we made several significant breakthroughs internationally during the year. We extended our global footprint into South America, continued to value-add to our investments in Russia and India, and delivered results for our consultancy projects around the world.

In a landmark development, CAI, together with its Brazilian partner, Odebrecht TransPort, won the concession to manage Rio de Janeiro's Antonio Carlos Jobim International Airport – the second largest airport in Brazil. When fully invested, this would represent CAI's largest investment to date.

We were also particularly pleased to see the exceptional outcomes of CAI's work at Sochi Airport in Russia. In the lead-up to the Sochi Winter Olympics in February 2014, a number of major projects were undertaken including the upgrading of airport infrastructure to cope with the expected increase in traffic, as well as the streamlining of operational processes to enhance efficiency. We were proud to note that during the peak Olympics departure days, Sochi handled an all-time high of 35,000 passengers a day without any delays.

DEVELOPING OUR 'HEARTWARE'

Even as we build up Changi Airport's hardware, we firmly believe in the importance of developing our organisation's 'heartware' – both in terms of grooming and nurturing our people, as well as touching the communities we serve.

In FY13/14, we continued to step up on people development, with a keen focus on cultivating leadership competencies through a structured leadership development programme, which was attended by over 400 people managers across levels. In recognition of our efforts to build a positive workplace, CAG was ranked among the top five most attractive employers in Singapore at the Randstad Award 2013.

As a corporate citizen that has benefitted from Singaporeans' strong support, CAG recognises its responsibility to contribute to those in society who need help. Since FY11/12, we have devoted a percentage of our net profit to the Changi Foundation, our philanthropic arm which supports youth community efforts. We have since reached out to more than 1,000 youths through this programme, which includes a variety of mentorship activities by CAG staff, and the provision of educational assistance via book prizes and bursary awards. During the year, we partnered Sport Singapore in a new

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We expect CAG's earnings in FY14/15 to be lower due to weakening traffic growth, lack of one-off contributions and increased support for airlines. In the medium to long term, our bottomline will also be impacted by depreciation costs and higher operating costs once the major infrastructure projects are completed. Notwithstanding this, we are confident of CAG's resilience and our ability to seize opportunities amid challenges.

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initiative, 'Saturday Night Lights', which aims to instill positive values through the spirit of sports and football.

FY13/14 FINANCIAL PERFORMANCE

CAG's revenue for FY13/14 crossed the S\$2 billion mark, representing a growth of 10% year-on-year. This was a result of increased revenue capture from both aeronautical and non-aeronautical segments, driven primarily by the increase in passenger traffic, as well as our efforts to drive concession sales through innovative retail strategies.

Due to effective cost control measures, we managed to achieve a moderate 3% increase in operating expenditure, despite rising cost pressures. The increase in operating expenses was mainly due to an expanded staff strength to support the new development projects, as well as escalating manpower costs from labour-intensive contracts.

For FY13/14, the Group also benefitted from one-off contributions amounting to S\$127 million (before adjusting for tax). These one-off contributions relate to prior years property tax adjustments and gains from divestments of our overseas investments. The one-off contributions, together with higher revenues and effective cost control measures, improved EBITDA to S\$1.19 billion and net profit after tax to S\$896 million.

This strong set of results strengthens CAG's ability to weather the market-cycle volatilities that we will face and puts us in a stronger position to fund the capital expenditure planned in the forthcoming years for infrastructure projects including T4, the T1 Expansion, and Runway 3. The cost of these capital investments is approximately \$10 billion over the next decade.

A CHALLENGING OUTLOOK

Following Changi Airport's exceptional growth in the last five years after the financial crisis, we expect traffic growth going forward to taper. Despite recent improvements in macro-economic conditions, the near-term industry outlook continues to be cloudy. Since the beginning of 2014, several airlines have cut back on flights due to overcapacity and depressed yields aggravated by high fuel prices and intense competition.

We expect CAG's earnings in FY14/15 to be lower due to weakening traffic growth, lack of one-off contributions and increased support for airlines. In the medium to long term, our bottomline will also be impacted by depreciation costs and higher operating costs, once the major infrastructure projects are completed. Notwithstanding this, we are confident of CAG's resilience and our ability to seize opportunities amid challenges.

In closing, we want to extend our deepest appreciation to our airline and airport partners, and all members of the airport community – thank you for sharing our unwavering commitment to develop the air hub and deliver the best airport experience possible. We also thank our Board of Directors for their excellent guidance and counsel during the year.

Lastly, to the people in CAG who have worked tirelessly over the year, you make us proud to be part of this company. What we have achieved so far has been extraordinary, and together, we will continue this exciting journey to bring Changi Airport to the next phase of growth.



LIOW MUN LEONG
CHAIRMAN



LEE SEOW HIANG
CHIEF EXECUTIVE OFFICER

BOARD OF DIRECTORS

LIEW Mun Leong - Chairman



Mr Liew was the founding President and CEO of CapitaLand Group. He is currently the Chairman of Surbana International Consultants Holdings Pte. Ltd. and Pavilion Gas Pte Ltd. He also sits on the boards of Singapore Exchange, CapitaLand Hope Foundation (the philanthropic arm of CapitaLand), Pavilion Energy Pte Ltd, NUS Business School, Human Capital Leadership Institute, Centre for Liveable Cities, Chinese Development Assistance Council and the Singapore China Foundation.

In 2013, Mr Liew was appointed as Provost Chair and Professor (Practice) on pro bono service in NUS Business School and the Faculty of Engineering.

He was elected the President of International Organisation for Standardisation (ISO) for the term 1997 to 1998. He was the Chairman of the Board of Governors of Temasek Polytechnic from 1999 to 2006.

With over 40 years of experience in construction and real estate both locally and overseas, Mr Liew has been instrumental in a number of Singapore's public sector projects, including the development of Changi Airport. For his exceptional contributions, Mr Liew was awarded the Meritorious Service Medal by the President of Singapore in 2011. He has also received several accolades including 'Outstanding CEO of the Year' at Singapore Business Awards (2006), 'CEO of the Year' at Singapore Corporate Awards (2007), 'Asia's Best Executive of 2008 (Singapore)' by Asiamoney, as well as 'Best CEO in Asia (Property)' by Institutional Investor (2008). In 2011, he was named Best CEO in Singapore by FinanceAsia. In 2012, he was awarded the Outstanding PR Champion by The Institute of Public Relations of Singapore.

Mr Liew graduated from the University of Singapore with a Civil Engineering degree and is a registered professional civil engineer. He has also published three books entitled *Building People: Sunday Emails from a CEO*, Volumes I, II and III.

LEE Seow Hiang - Chief Executive Officer

Mr Lee is CEO of Changi Airport Group. Prior to this, he was Deputy Director-General (Operations) of the Civil Aviation Authority of Singapore. He is concurrently Deputy Chairman of Changi Airports International Pte Ltd, a Director of SMRT Corporation Limited and Board Member of the Agency for Integrated Care Pte Ltd. He is also a member of the Advisory Board to the joint IATA-NTU Advanced Management Program (AMP) and the joint Executive MBA degree in Aviation Management, as well as a Board Member to the ACI World Governing Board and First Vice President of the ACI Asia-Pacific Regional Board.

From 1989 to 2005, Mr Lee held various appointments in the Republic of Singapore Air Force (RSAF) and the Ministry of Defence, with his last appointment being Deputy Head of Air Operations in HQ RSAF. From 2005 to 2008, he was the Principal Private Secretary to Minister Mentor Lee Kuan Yew in the Prime Minister's Office.

Mr Lee was awarded the SAF (Overseas)/ President's Scholarship in 1989 and the SAF Postgraduate Scholarship (General Development) in 2002. He holds a Bachelor in Business Administration (Honours) from the University of Cambridge, UK, and a Master in Business Administration from the Massachusetts Institute of Technology, USA.



LIM Soo Hoon

Ms Lim Soo Hoon was appointed Permanent Secretary (Finance)(Performance) at the Ministry of Finance on 1 April 2012. She is also the Chairman of the Accounting & Corporate Regulatory Authority.

In her capacity as Permanent Secretary (Finance) (Performance), she oversees the Ministry's central role in creating a high performance government through efficient and effective use of resources, and working towards an integrated government through synergies in programmes, processes and systems across the various government agencies.

Ms Lim joined the Administrative Service in 1981. She has served in various portfolios in the Ministry of Trade and Industry, the former Ministry of Communications and Information, the former Ministry of Labour and the Registry of Vehicles. She was appointed Permanent Secretary, Ministry of Community Development in 1999 and became Permanent Secretary (Public Service Division) in 2005 before joining the Ministry of Finance in 2012.



Michael George William BARCLAY



Mr Barclay is CEO of Sentosa Development Corporation. He also sits on the boards of the Singapore Tourism Board and Mapletree Commercial Trust Management Ltd.

Prior to joining Sentosa in August 2008, Mr Barclay was the Regional Vice President Asia Pacific at the International Air Transport Association. From January 2004 to March 2007, he was Chief Executive of SilkAir. He also held various portfolios for Singapore Airlines in Singapore, Germany, Switzerland, Belgium and the UK from September 1991 to January 2004.

Mr Barclay has a Master of Science degree in Transport Planning & Engineering from the University of Leeds and has completed the Advanced Management Program at Harvard Business School.

Derrick WAN Yew Meng

(Alternate Director to Ms Lim Soo Hoon)

Mr Wan is Director (Reserves and Investment) at the Ministry of Finance. Prior to joining the Ministry of Finance in November 2008, he was Director (Investments and Projects) at the Central Provident Fund and has held appointments in the Ministry of Manpower, Ministry of Law and Ministry of Defence.

Mr Wan is a Chartered Financial Analyst (CFA), a Chartered Alternative Investments Analyst (CAIA) charter holder and a Professional Risk Manager (PRM). He was awarded the Overseas Merit Scholarship by the Singapore Government to study at the University of York, England, where he graduated with First Class Honours (with Distinction) in Economics and Econometrics. He also holds a Masters in Financial Engineering from the National University of Singapore and a Masters in Business Administration from Columbia University, New York.



BOARD OF DIRECTORS

Miguel KO Kai Kwun



Mr Ko is Non-Executive Chairman of the Asia-Pacific region for Starwood Hotels & Resorts Worldwide, Inc. He was previously the Chairman and President of the Asia Pacific Division with strategic oversight of the operating and financial performance of the largest upper-upscale hotel company in the region. Prior to this, he was Deputy Chairman and CEO of CDL Hotels International.

Widely recognised for his knowledge and insight by the Asia Pacific tourism industry, Mr Ko was voted Regional Hotel Chief of the Year (2007 & 2008) by the readers of the Travel Weekly. He was named Visionary Leader of the Year and a recipient of the Global Awards at the World Travel Mart (2007) in London and honoured the Lifetime Achievement Award 2012 at the China Hotel Investment Conference in Shanghai.

Mr Ko has a Bachelor in Business Administration in Economics from the University of Massachusetts and a Masters in Business Administration from Suffolk University. He is also a non-participating Certified Public Accountant (CPA) from New Hampshire, USA.

Eric ANG Teik Lim



Mr Ang is Senior Executive Advisor at DBS Bank. He holds a Bachelor in Business Administration (Honours) degree from the University of Singapore.

Dilhan Pillay SANDRASEGARA

Mr Sandrasegara is the Head of Enterprise Development Group and Head, Singapore, as well as Co-head, Americas, of Temasek International Pte. Ltd. Prior to joining Temasek, he was a corporate lawyer.

Mr Sandrasegara serves on the boards of the Singapore Management University, Singapore Institute of Legal Education, Changi Airports International Pte Ltd, Temasek Life Sciences Venture Pte Ltd and Fullerton Financial Holdings

Pte Ltd. He is also a member of the Capital Markets Committee of the Monetary Authority of Singapore. He was previously a member of the Corporate Governance Council and a board member of various publicly listed companies and public bodies.

He graduated from the National University of Singapore with a Bachelor of Laws and obtained a Master of Law from the University of Cambridge.



Danny TEOH Leong Kay



Mr Teoh is a Board Member of CapitaMall Trust Management Ltd, DBS Ltd, DBS Bank Holdings, DBS Bank (China) Ltd, DBS Foundation Ltd, JTC Corporation, Keppel Corporation Ltd, and the Singapore Olympic Foundation.

Mr Teoh was Managing Partner of KPMG in Singapore until his retirement on 30 September 2010. He had also served as a member of KPMG's Asia-Pacific Board and the KPMG International Council and Board during his time at KPMG.

Mr Teoh held various other positions at KPMG, including Head of Audit & Risk Advisory Services (Singapore), Head of Risk Advisory Services (Asia-Pacific) and Head of Financial Services (Singapore).

Mr Teoh qualified as a Chartered Accountant in the UK in 1981 and is a member of the Institute of Chartered Accountants of England and Wales.

Richard R MAGNUS

Mr Magnus is Chairman of Casino Regulatory Authority, Public Transport Council, Public Guardian Board, Political Films Consultative Committee and Bioethics Advisory Committee, and is a Member of the Public Service Commission. In the private sector, Mr Magnus sits on the Boards of Temasek Cares PLC, CapitalMall Trust, Allgrace Investment Company Ltd, Honour (Singapore) Ltd and is Chairman of the Management Board of Human Capital Singapore.

Mr Magnus retired as Senior (now termed Chief) District Judge. He was awarded the Meritorious Service Award for his exceptional public service by the State in 2009 and awarded the Outstanding Volunteer award by the Ministry of Social and Family Development.

Mr Magnus is a lawyer by training. He is also an alumnus of the Harvard Business School, the John F Kennedy School of Government and the National Agenda Council of the World Economic Forum.



| EXECUTIVE MANAGEMENT |

CHANGI AIRPORT GROUP & CHANGI AIRPORTS INTERNATIONAL



CHANGI AIRPORT GROUP

1 **LEE Seow Hiang**
Chief Executive Officer

2 **TAN Lye Teck**
Executive Vice President
Airport Management

3 **YAM Kum Weng**
Executive Vice President
Air Hub & Development

4 **FOO Sek Min**
Executive Vice President
Corporate

5 **LIM Peck Hoon**
Executive Vice President
Commercial

6 **NG Lai Leng**
Chief Financial Officer

7 **FONG Kok Wai**
Executive Vice President
Engineering & Development

CHANGI AIRPORTS INTERNATIONAL

8 **LIM Liang Song**
Chief Executive Officer

9 **Eugene GAN**
Deputy Chief Executive Officer

MANAGEMENT TEAM

CHANGI AIRPORT GROUP

MANAGEMENT TEAM

CHOY Da Wen

Senior Vice President
Changi East
Programme Management Office

CHUNG Choon San

Project Director
Changi East Construction

Jayson GOH

Senior Vice President
Airport Operations Management

HUNG Jean

Senior Vice President
Landside Concessions

KOH Ming Sue

Senior Vice President
Engineering & Master Planning

LECK Siew Leng

Senior Vice President
Internal Audit

Audrey LEE

Senior Vice President
Economic Affairs

Steve LEE

Senior Vice President
Corporate IT & Technology /
Chief Information Officer

LEONG How Yin

Project Director
Changi East Planning,
Design & Construction

LEONG Kok Hoong

Project Director
Changi East Contracts
& Cost Control

LIM Ching Kiat

Senior Vice President
Market Development

LIM Wee Ping

Senior Vice President
Corporate Strategy &
Business Development

NG Chew Song

Senior Vice President
Projects & Contracts

ONG Chee Chiau

Senior Vice President
Terminal 5 Design

Cletus PACKIAM

Chief
Airport Emergency Service

Ivan TAN

Senior Vice President
Corporate & Marketing Communications

Justina TAN

Senior Vice President
Human Resource

TENG Hwee Onn

Senior Vice President
Engineering & Specialised Systems

Ivy WONG

Senior Vice President
Airsides Concessions

YEO Kia Thye

Senior Vice President
Airport Operations Planning & Airside

CHANGI AIRPORTS INTERNATIONAL*

MANAGEMENT TEAM

CHAN Mew Yoong

Vice President
Human Resources

LOW Beng Lan

Senior Vice President
Finance

NG Kuan Luen

Vice President
Risk Management

Jose PANTANGCO

Senior Vice President
Investments

SEE Ngee Muoy

General Counsel

L SOMKIAT

Chief Airport Planner

*Members of Changi Airports International's Management Committee



A five-storey high, 300-metre long vertical Green Wall overlooking the Terminal 3 baggage claim area welcomes passengers arriving at Changi Airport.

FINANCIAL REVIEW

GROUP FINANCIAL REVIEW

REVENUE (\$\$'mil)



EXPENSES (\$\$'mil)



EBITDA (\$\$'mil)



NPAT (\$\$'mil)



* For comparability purpose, NPAT excluded one-off gains of S\$78m and S\$111m for FY12/13 and FY13/14 respectively.

ASSETS (\$\$'mil)



EQUITY (\$\$'mil)



FINANCIAL REVIEW

OVERVIEW

Changi Airport handled 53.9 million passenger movements in FY13/14, registering steady year-on-year (y-o-y) growth of 3.7%. The growth was achieved through the addition of five new airlines during the year as well as enhanced global connectivity with eleven new city links. Growth was led by the low-cost carriers (LCCs), which grew by 13% y-o-y.

CAG's operating revenue increased by 10% y-o-y, crossing the S\$2 billion mark. The increase in revenue was attributed to increased revenue capture from both the aeronautical and non-aeronautical segments, driven primarily by the increase in passenger traffic as well as our efforts to drive concession sales.

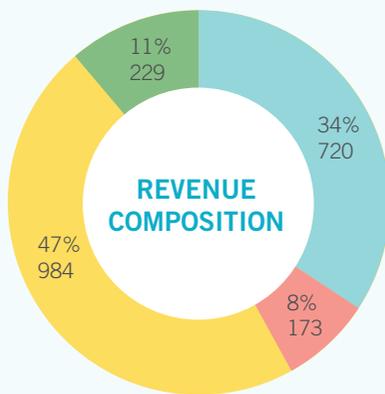
On the cost front, operating expenses increased by 3% y-o-y to S\$1.2 billion, mainly due to escalating cost arising from structural wage reforms in Singapore. The increase was moderated by effective cost control measures, productivity initiatives and effective procurement strategies.

The higher revenue and effective cost control measures improved the Group's earnings before interest, tax, depreciation and amortisation (EBITDA) by 13.5% to S\$1.2 billion. The Group also achieved net profit after tax (NPAT) of S\$785 million, before one-off contributions. The one-off contributions relate to prior years property tax adjustments as well as gains from divestment of our investments in Italy and China, amounting to S\$111 million. Including the one-off contributions, the Group achieved net profit after tax of S\$896 million.

The strong financial results strengthens CAG's ability to fund major development projects planned in the coming years, including Terminal 4, Terminal 1 Expansion, Project Jewel and Runway 3 to meet our long-term infrastructure needs. It also enables CAG to roll out additional cost-relief and incentive schemes for our airline partners, as well as marketing programmes to grow the air hub.

OPERATING REVENUE

(S\$'mil)



FY13/14 - S\$2,106m

The Group's operating revenue grew to S\$2.1 billion, a y-o-y growth of 10.2%.

Airport services and security services grew by 15.4% to reach S\$893 million. The increase was mainly due to higher passenger traffic movements and higher aeronautical revenue capture. Traffic growth at Changi Airport was supported by strong demand in air travel from Asia, in particular, Indonesia, Malaysia, Thailand and Japan. Changi Airport also expanded its city links to China and Africa, connecting Singapore to over 270 cities worldwide.

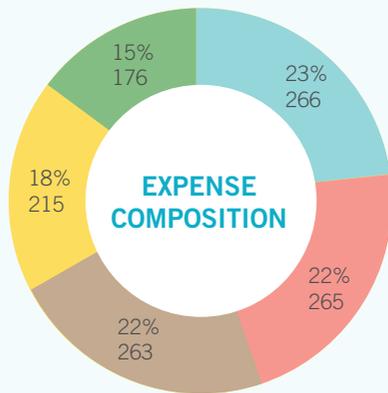
Airport concessions and rental income grew 7.2% y-o-y to reach S\$984 million. Concession sales at Changi Airport grew 7.9%, crossing the S\$2 billion mark, placing Changi Airport among the world's top four airports for airport retail. Changi Airport's commercial strategy includes a strong retail mix and creative promotions to encourage sales. During the year, CAG expanded its retail footprint to the e-commerce space by launching iShopChangi.com, its online retail portal. The strong performance in non-aeronautical revenue enables CAG to keep aeronautical charges at Changi Airport competitive as a significant portion of such revenue is used to subsidise aeronautical charges.

- Airport services
- Security services
- Airport concessions and rental income
- Others

FINANCIAL REVIEW

OPERATING EXPENSES

(\$'mil)



FY13/14 - S\$1,185m

- Maintenance of land, buildings and equipment
- Services, security and other related expenses
- Depreciation
- Employee compensation
- Government charges and CAAS services

The Group's operating expenses (opex) increased moderately by 3% to S\$1.2 billion. The increase came from maintenance expenses, services and security-related expenses, CAAS services as well as employee compensation.

The Group faced higher cost pressures from structural wage reforms and manpower shortages in Singapore, which resulted in escalating cost of maintenance and services. To moderate cost increase, the Group implemented smart procurement strategies, productivity initiatives as well as leveraged on technology to reduce manpower reliance.

In FY13/14, the Group also incurred a higher gazetted payment for CAAS services, mainly due to its implementation of an enhanced Air Traffic Management (ATM) System to reinforce the robust and resilient ATM capability with which CAAS provides air navigation services.

With multiple on-going development projects, including Terminal 4, Project Jewel and planning for a third runway, the Group also expanded its staff strength during the financial year to support the development of these projects.

The y-o-y increase in opex was partially offset by lower depreciation expenses, mainly due to accelerated depreciation for the Budget Terminal last year.

PROFIT AFTER TAX

The Group achieved net profit after tax (NPAT) of S\$785 million (before one-off contributions, amounting to S\$111 million). This was mainly driven by improved performance from the airport operations arising from increased revenue capture from both aeronautical and non-aeronautical segments as well as effective cost control measures. The Group also benefitted from one-off savings arising from prior years property tax adjustments as well as gains from the sale of its investments in Italy and China. Including these one-off contributions amounting to S\$111 million, the Group's NPAT improved to S\$896 million.

The Group's strong financial performance enables it to roll out various cost-relief and incentive schemes for our airline partners. The Group has in FY14/15 launched an additional S\$100 million Growth and Assistance Incentive (GAIN) programme aimed at helping airlines lower costs, boosting passenger traffic and improving operational efficiency at Changi Airport.

In addition, the Group will re-invest a significant portion of its profits to fund capital expenditure and development projects to enhance services and grow the air hub.

FINANCIAL POSITION

The Group's **shareholder equity** improved by S\$635 million to reach S\$5.7 billion, taking into account the dividend paid during the year.

Total **Assets** amounted to S\$6.7 billion, an increase of S\$804 million compared to last year. The major components of total Assets were property, plant and equipment and cash and cash equivalents.

CAPITAL EXPENDITURE

The Group's strong financial position strengthens its ability to invest in capital expenditure to upkeep and enhance the airport facilities, as well as fund several upcoming major development projects. These include the development of Terminal 4, Terminal 1 Expansion and expansion plans for a third runway. The cost of these capital investments is approximately S\$10 billion over the next decade.

FINANCIAL REVIEW

INVESTING FOR THE FUTURE

Upgrading of Existing Terminals



CAG IS INVESTING SIGNIFICANT CAPITAL EXPENDITURE IN THE FORTHCOMING YEARS TO ENHANCE THE AIR HUB AND TO CATER FOR LONG-TERM INFRASTRUCTURE NEEDS.

Three-Runway System



Terminal 1 Expansion and Project Jewel



Development of Terminal 4

CORPORATE GOVERNANCE

The Board and Management of CAG are committed to meeting and maintaining the highest standards of corporate governance, professionalism and integrity to build a company which stakeholders can be proud of. To thrive and operate a sustainable business over the long term, and to uphold and protect the Company's brand and reputation, CAG strongly believes that it has to be accountable to its immediate business and regulatory environment, as well as to the global community.

CAG has a Code of Conduct, which sets out the principles, policies and standards of conduct that it expects of all employees, in their day-to-day activities and in the decisions they make. The Company has implemented a whistle-blowing framework to prevent, detect, and deter unethical or illegal conduct or behavior, while protecting whistle-blowers from reprisal within the limits of the law if they have acted in good faith.

THE BOARD OF DIRECTORS

1. At the helm of the decision-making process of CAG is the Board of Directors, which oversees the Company's long term strategies, providing management guidance for continuing and steady growth, while protecting the interests of stakeholders.

Composition and Balance

2. The Board, headed by non-executive Chairman, Mr Liew Mun Leong, comprises nine Directors, of whom only the CEO, Mr Lee Seow Hiang, is an executive Director. The Board is strongly independent with seven Directors, including the Chairman, considered to be independent, with reference to the definition of 'independence' in the Code of Corporate Governance. The Directors are individuals with a broad and diverse spectrum of expertise and experience, both domestically and internationally.

3. The Board Directors of CAG are:

Mr Liew Mun Leong - Chairman
Mr Lee Seow Hiang - CEO
Ms Lim Soo Hoon
Mr Derrick Wan Yew Meng
(Alternate Director to Ms Lim Soo Hoon)
Mr Michael George William Barclay
Mr Miguel Ko Kai Kwun
Mr Eric Ang Teik Lim
Mr Dilhan Pillay Sandrasegara
Mr Danny Teoh Leong Kay
Mr Richard Magnus

The profiles of the Directors can be found on pages 22 to 25 in this annual report. Changi Airports International (CAI), a wholly-owned subsidiary, has a separate Board of Directors.

4. The roles of the Chairman and the CEO are separate and distinct. The Chairman leads the Board and facilitates effective and comprehensive Board discussions and decision-making on strategic issues, while the CEO has full

executive responsibility for the management of the Company's businesses and implementation of the Group's strategies and policies.

5. Five committees have been formed to assist the Board in the detailed consideration of various matters. These are the Executive Committee (EXCO), Executive Resource and Compensation Committee (ERCC), Audit Committee (AC), Tenders Committee (TC) and the Executive Committee on Airport Development (ECAD). Each committee is governed by its own terms of reference, which set out the scope of the committee's duties and responsibilities. Ad-hoc committees are also formed to review specific issues from time to time.
6. The Board meets at least four times a year to review CAG's business performance and financial results, and to approve the annual budget.
7. Formal letters are issued to newly-appointed Directors upon their appointment, detailing their duties and obligations as Directors. Management conducts an orientation programme for new Directors, and updates Directors on new laws and regulations, as well as developments and risks facing the business and industry, when necessary. Site visits are also arranged for new Directors to familiarise them with the Group's operations.

Access to Information

8. Prior to each Board Meeting and when necessary, the Board is provided with pertinent information, which includes updates on the Company's operating and financial key performance indicators, legislative, industry and other significant developments relating to the Group, which enables the Board to make informed and sound decisions. The Board has full access to the Senior Management team and the Company Secretary. Should the Directors require independent professional advice on matters relating to the businesses or issues affecting their duties, the Company will arrange for the appointment of relevant professional advisers, at the Company's expense.

CAPITAL AND INVESTMENTS

1. The members of the EXCO are:
Mr Liew Mun Leong - Chairman
Mr Eric Ang Teik Lim
Mr Lee Seow Hiang
2. The EXCO reviews and recommends to the Board the capital structure, and the financing and investment strategies of the Company. The EXCO also approves significant investments by CAG and CAI. As an executive committee of the Board, it also assists the Board in reviewing and approving executive matters of the Company, including acceptance of banking and credit facilities, granting of corporate guarantees, debt capital market issuance as well as hedging policies and financial limits for Treasury and operational matters.

EXECUTIVE RESOURCE AND COMPENSATION

1. The ERCC comprises three independent and non-executive Directors:
Mr Liew Mun Leong - Chairman
Mr Eric Ang Teik Lim
Mr Miguel Ko Kai Kwun
2. The ERCC supports and advises the Board on remuneration matters, leadership succession and development. The roles of the ERCC include:
 - a. reviewing and approving the policy for determining executive remuneration, including the remuneration packages, service contract terms and benefits programme for key management executives;
 - b. approving the appointment of key management executives, overseeing the development of key executives and reviewing succession plans for key positions to ensure a strong pipeline of talent to enable the continued success of the Company; and
 - c. recommending the remuneration framework, including Directors' fees for non-executive Directors.

ACCOUNTABILITY AND AUDIT

Accountability

1. Management provides all members of the Board with reports on operating and financial information and key performance indicators on a quarterly basis and as the Board may require from time to time, to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

Audit Matters

2. The AC comprises the following three non-executive Directors:
Mr Danny Teoh Leong Kay - Chairman
Ms Lim Soo Hoon
Mr Derrick Wan
(Alternate Director to Ms Lim Soo Hoon)
Mr Eric Ang Teik Lim
3. The primary role of the AC is to assist the Board in ensuring integrity of financial reporting and that there is in place a sound system of internal controls. The AC's responsibilities include reviewing the financial information CAG provides to its shareholders and competent authorities and the effectiveness of key internal controls including financial, operational, compliance and risk management, as well as the financial reporting processes that the Board and the Management of CAG have established. The AC also reviews the mechanisms put in place by CAG for employees to raise concerns in confidence, about possible improprieties in financial reporting or other matters; the procedures for independent investigation of the matters reported and for appropriate follow-up action.

4. During the year, the AC performed an independent review of the financial statements of the company. In the process, the AC reviewed the key areas of management judgment applied for adequate disclosure, critical accounting policies and any significant changes that would have a material impact on the financials.
5. Annually, the AC reviews and approves the audit plans of the internal auditors to ensure the adequacy of coverage in terms of the audit scope in reviewing CAG's significant internal controls. The AC also reviews the adequacy of the internal audit function in terms of its resources, competency and standing within the organisation and the training programmes attended by the internal audit team to ensure that the staff continue to update their technical and auditing skills. The AC also reviews the reports of the external auditors and internal auditors on the effectiveness of actions taken by Management on the recommendations and observations.
6. The AC also reviews and approves the external auditor's audit plan for the year. Prior to making recommendations to the Board on the external auditor's appointment or reappointment, the AC reviews the external auditor's independence, objectivity and quality of work based on guidelines established by the Accounting and Corporate Regulatory Authority and through discussions with the external auditors. The AC also reviews the non-audit fees awarded to the external auditors to determine that the non-audit services performed by them would not affect their independence.
7. The AC meets with the internal and/or external auditors three times during the year, and at least one of these meetings was conducted without the presence of Management, where the auditors may raise issues encountered in the course of their work directly to the AC.

INTERNAL CONTROLS

1. The Board and Management of the Company are fully committed to maintaining a robust system of internal controls, procedures and risk management to safeguard shareholders' interests and the Group's assets, and to manage risks. The Board delegates its oversight responsibilities for internal controls and risk management to the AC, which ensures effectiveness and adequacy of the system of internal controls in the Company.
2. CAG's internal control framework, supported by systems, processes and people, comprises three lines of defence in ensuring the adequacy of CAG's system of internal controls. The first line of defence comprises business governance and policies implemented by Management to provide direction and guidance on financial, operational, information technology and compliance matters. The second line of defence comprises the management and assurance frameworks, i.e. enterprise risk management and fraud risk management processes. These include conflict of interest declarations by employees and the implementation of the Whistle-blowing Policy and

CORPORATE GOVERNANCE

Code of Conduct to establish a clear tone on the expectations of employees' business conduct. The third line of defence is the independent assurance provided by the internal and external auditors.

3. CAG's internal and external auditors review the key internal controls of the Company and any material non-compliance or failures in internal controls. Recommendations for improvement are reported to the AC, which reviews the effectiveness of the action taken by Management on the recommendations made.
4. The AC also reviews the effectiveness of the enterprise risk management framework and the risk management processes put in place to manage risks while achieving business objectives.
5. A separate committee, the TC, evaluates and approves tenders for goods and services exceeding S\$50 million, with the exception of those related to new development projects and major redevelopment projects at Changi Airport, which are under the purview of the ECAD. The TC is chaired by a non-executive Director and comprises the following three Directors:

Mr Michael George William Barclay - Chairman
Mr Richard Magnus
Mr Lee Seow Hiang

Internal Audit

1. The role of the internal auditors is to assist the AC to ensure that the Company maintains a sound system of internal controls. Internal Audit conducts regular audits of high risk areas, and undertakes investigations as directed by the AC. It comprises suitably qualified and experienced staff, headed by the Senior Vice President, Internal Audit (SVP, IA). SVP, IA reports functionally to the Chairman of the AC, and administratively to the CEO. To ensure the independence of the IA function, the IA team has unrestricted access to the AC.
2. Internal Audit adopts a risk-based approach in its audit work, focusing on key internal controls, including financial, operational, information technology and compliance controls. Internal audit practices are also guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.
3. Audits are carried out on all significant business units and processes in the Company. The annual audit plan is developed in consultation with, but independent of Management, and is approved by the AC. Internal Audit's reports on findings and recommendations are submitted to the AC with copies extended to the CEO and relevant senior management officers, and a summary of key findings and recommendations discussed at the AC meetings. Internal Audit also tracks and reports to the AC on the implementation status of actions agreed by Management, so as to ensure timely and adequate closure of audit findings.

EXECUTIVE COMMITTEE ON AIRPORT DEVELOPMENT

1. The ECAD comprises four Directors and seven non-Directors. The four Directors are:
Mr Liew Mun Leong - Chairman
Mr Derrick Wan Yew Meng
(Alternate Director to Ms Lim Soo Hoon)
Mr Michael George William Barclay
Mr Lee Seow Hiang

As and when necessary, external members may be co-opted to provide expertise to the development projects.
2. The ECAD oversees new development projects and major redevelopment projects at Changi Airport. The roles of the ECAD include:
 - a. reviewing and approving collaborations, selection of consultants, architects and other professional advisors, design concepts, aesthetic element proposals and other proposals related to development projects at Changi Airport; and
 - b. reviewing and approving tenders for goods and services exceeding S\$50 million related to the development projects at Changi Airport.

ENTERPRISE RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT

1. CAG manages a wide range of risks which include operational and safety, regulatory, financial, and developmental project risks. The risk owners in the key operational divisions work closely with the corporate risk management unit to increase vigilance and identify key risks with greater scope and depth so that controls can be put in place. The company seeks to ensure a safe, secure and seamless airport experience for its customers, while ensuring continued growth of its air hub and timely delivery of key developmental projects.
2. A project risk management framework is in place for Changi Airport's key developmental projects. Dedicated risk managers assigned to each project ensure that risks which impact timelines, costs and quality are addressed.

RISK GOVERNANCE

3. The CAG Risk Committee, supported by the Enterprise Risk Management (ERM) unit, leads the Company's efforts in developing and strengthening its risk management processes and framework. Reporting to the Board's Audit Committee, the Risk Committee is chaired by the CEO and comprises Senior Management members, who meet regularly to review CAG's key risks and provide directions to strengthen the implementation of ERM in CAG.

RISK AWARENESS CULTURE

4. At CAG, every employee and everyone working in the airport community is a valued manager of risks. The Risk Committee, through the ERM unit, continues with its engagement efforts through inter-divisional risk workshops and meetings with risk owners so that there is a common and holistic understanding of how risks are managed across the many areas of Changi Airport.
5. CAG also engages its airport partners through both formal meetings and informal channels on risk issues so that there is greater sharing and deeper understanding of its risks.



BUSINESS & OPERATIONS REVIEW



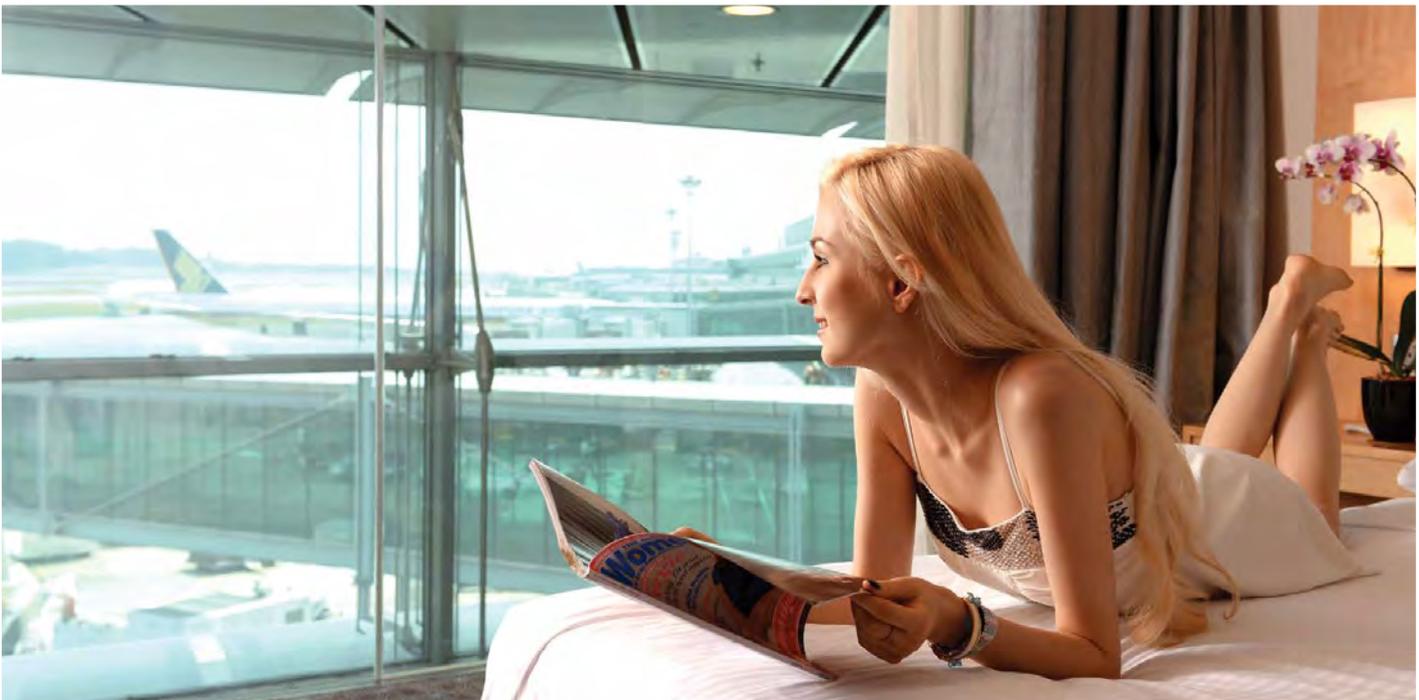
USED BY
53.9
MILLION
PASSENGERS IN FY13/14



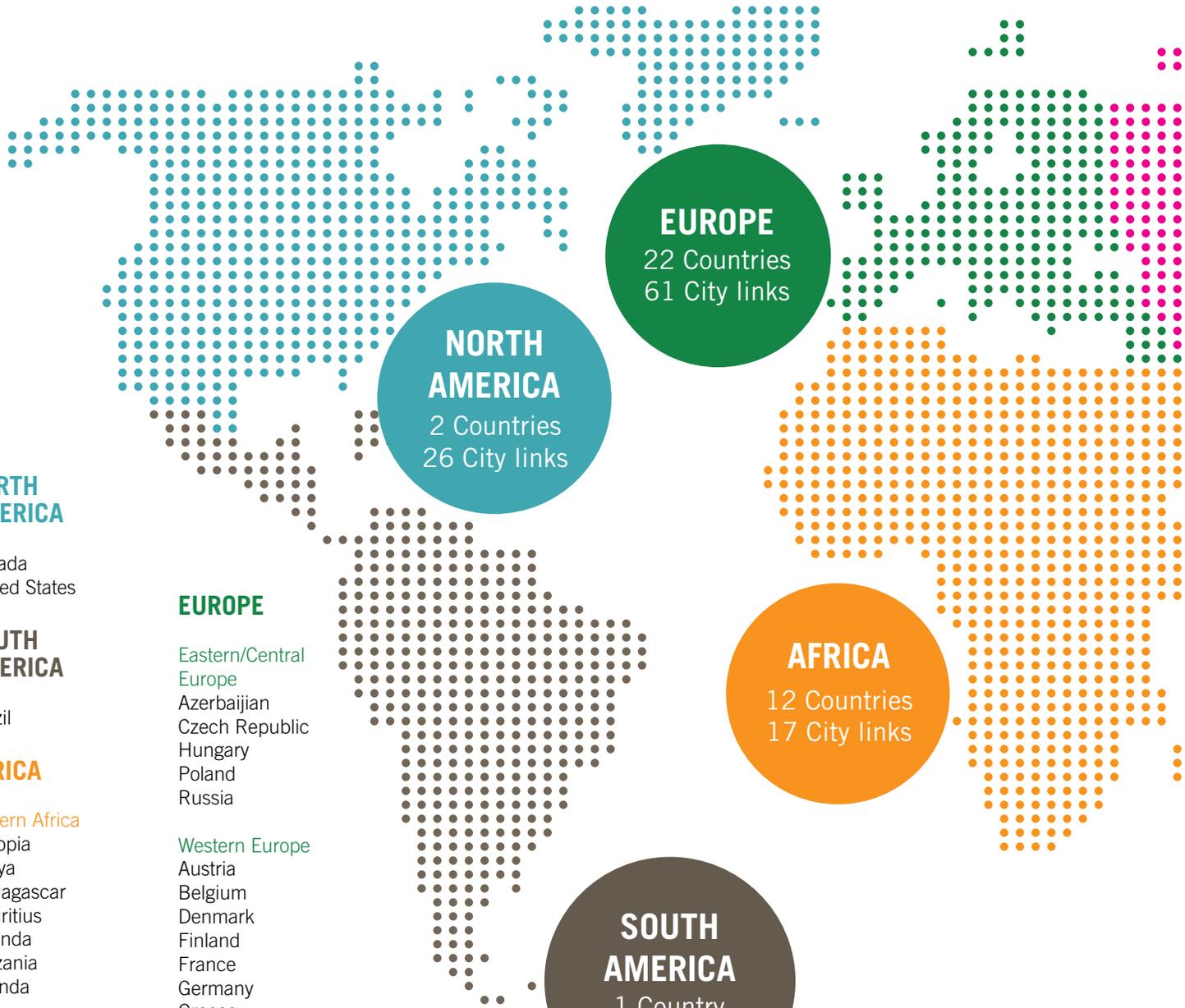


**HANDLED
1.84
MILLION TONNES
OF CARGO IN FY13/14**

**MORE THAN
6,700 FLIGHTS
PER WEEK,
OR ABOUT ONE EVERY
90 SECONDS**



GLOBAL CONNECTIVITY



NORTH AMERICA

Canada
United States

SOUTH AMERICA

Brazil

AFRICA

Eastern Africa

Ethiopia
Kenya
Madagascar
Mauritius
Rwanda
Tanzania
Uganda

Northern Africa

Egypt

Southern Africa

South Africa

Western Africa

Ghana
Nigeria
Republic of Congo

EUROPE

Eastern/Central Europe

Azerbaijan
Czech Republic
Hungary
Poland
Russia

Western Europe

Austria
Belgium
Denmark
Finland
France
Germany
Greece
Italy
Lithuania
Luxembourg
Netherlands
Norway
Spain
Sweden
Switzerland
Turkey
United Kingdom

EUROPE
22 Countries
61 City links

NORTH AMERICA
2 Countries
26 City links

AFRICA
12 Countries
17 City links

SOUTH AMERICA
1 Country
1 City link

CONNECTING SINGAPORE TO OVER 270 CITIES

IN MORE THAN 60 COUNTRIES AND
TERRITORIES WORLDWIDE

AS AT 31 MARCH 2014,
CHANGI AIRPORT IS THE FIFTH
BUSIEST AIRPORT IN THE WORLD
BY INTERNATIONAL TRAFFIC,
SERVED BY MORE THAN
100 AIRLINES WORLDWIDE.

ASIA

26 Countries
113 City links

SOUTHWEST PACIFIC

3 Countries
53 City links

SOUTHWEST PACIFIC

Australia
New Zealand
Papua New Guinea

ASIA

Middle East

Oman
Qatar
Saudi Arabia
United Arab Emirates

Northeast Asia

China
Hong Kong SAR
Japan
South Korea
Macau SAR
Taiwan

South Asia

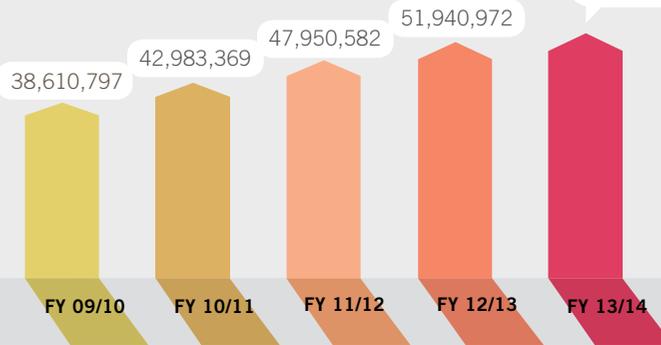
Bangladesh
Bhutan
India
Maldives
Nepal
Sri Lanka

Southeast Asia

Brunei Darussalam
Cambodia
Indonesia
Laos
Malaysia
Myanmar
Philippines
Thailand
Timor Leste
Vietnam

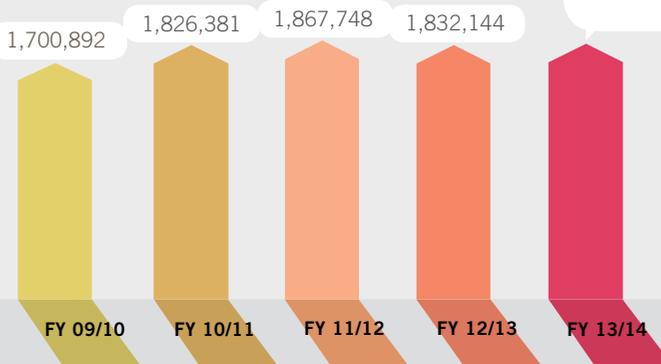
AIR TRAFFIC STATISTICS | BY YEAR

PASSENGER MOVEMENTS



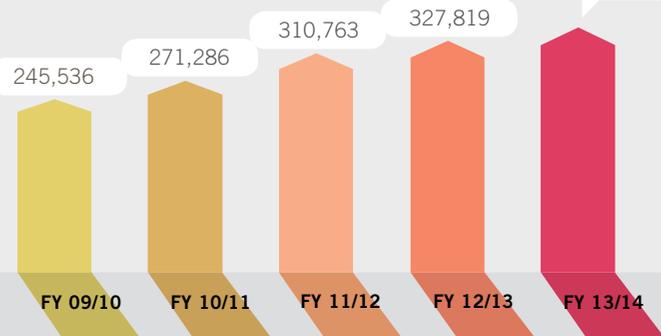
53,874,049
PASSENGER MOVEMENTS

AIRFREIGHT MOVEMENTS



1,837,580
TONNES OF AIRFREIGHT

COMMERCIAL AIRCRAFT MOVEMENTS



347,458
AIRCRAFT MOVEMENTS

A PREMIER AIR HUB

Discover Wuxi, a tranquillity as natural as its beauty.

Now, China Eastern Airlines takes you to Wuxi 4 times weekly. Famed for its striking natural and cultural heritage, Wuxi features exotic bamboo forests, clear lakes, and evergreen hills. Beyond the breathtaking cherry blossoms of Taihu Lake, serenity awaits at one of the grandest Buddha statues on earth. For more information, visit sg.ceair.com



changiairport.com

01

During the year, CAG continued to develop the Changi air hub through active marketing to airlines and collaborative partnerships to promote travel to and through Singapore. As a result, passenger traffic at Changi Airport grew for the fourth year running and Changi moved up the world's rankings to fifth position in terms of international passenger movements.

STEADY AND MODERATE GROWTH

Amidst challenging market conditions and continuing fierce competition in the aviation sector, Changi Airport maintained its growth momentum, albeit at a slower pace, registering modest passenger traffic growth of 3.7% to close the year with 53.9 million passenger movements. Aircraft movements rose 6.0% to 347,000 flights.

Traffic growth at Changi Airport was supported by demand for air travel to and from destinations in Asia. Indonesia, Malaysia and Thailand were Changi's top country markets with Japan registering the strongest growth among the top 10 countries. Denpasar, Kuala Lumpur and Tokyo were the three city links, among the top 10, which registered double-digit growth.

During the year, Changi Airport welcomed five new passenger airlines – flag carriers Ethiopian Airlines and SWISS, Bangladesh's Regent Airways, China's Lucky Air, and Myanmar's Golden Myanmar Airlines. Ethiopian Airlines' new service to the country's capital, Addis Ababa, is Singapore's first direct air link with East Africa. The new service augments Changi Airport's connectivity with the fast-growing African continent, and launches Changi as a gateway to Southeast Asia and the Southwest Pacific for the airline.

DEVELOPING NEW LINKS IN ASIA

Over the last few years, Changi Airport has been actively developing new markets and city links within our core regions in Asia. In China, for example, CAG has spearheaded the efforts to develop new links by working closely with partners like Singapore Tourism Board (STB), International Enterprise Singapore, travel agents, airlines as well as Chinese government agencies. For the fifth year running, CAG embarked on a large-scale consortium marketing campaign in Singapore with six Chinese carriers and five major outbound travel agents to promote outbound travel from Singapore to lesser-known destinations in China, such as Changsha and Zhengzhou.

These sustained market development efforts to grow new city links have resulted in a bumper crop of eight new city links to China – Lijiang, Jinan, Wuxi, Ningbo, Nanchang, Guilin, Guiyang and Nanning. These new links bring Changi Airport's connectivity with China to more than 30 cities, sealing its position as the most connected Southeast Asian airport to China. Additionally, new links were also started to Kalibo in the Philippines, one of Changi's top country markets, and Mandalay in Myanmar.

GROWING TRANSFER TRAFFIC

CAG continued to develop new initiatives to entrench our position among air travellers as their favourite transit airport. CAG partnered Singapore Airlines and SilkAir on the Changi Transit Programme, whereby passengers who transfer at Changi Airport on the two airlines are eligible to redeem up to S\$40 worth of Changi Dollar Vouchers during their layover.



02

The vouchers can be used at most retail, food and service outlets, as well as pay-per-use lounges within the airport, enhancing passengers' transit experience at Changi. This promotion was rated the 'Best Travel Promotion of 2013' by jaunted.com, part of the Condé Nast Traveler Network.

CULTIVATING LONG HAUL MARKETS AND NEW TRAFFIC SEGMENTS

CAG recognises the importance of growing long haul markets to strengthen the air hub. The year saw the return of SWISS to Changi Airport with a new daily service to Zurich, after a three-year courtship by CAG. The return of SWISS underscores the attractiveness of Changi Airport to long haul airlines, given the high yield traffic composition of the Singapore market and Changi Airport's excellent network and efficient transfer facilities.

CAG continued to invest in emerging markets like Africa, Russia, Central Asia and South America. For example, it signed a tripartite agreement with South Africa Tourism and Singapore Airlines in June 2013, under which the partners pledged to collectively invest more than S\$1 million in cash and kind over one year to promote travel to South Africa. CAG continued to participate in trade shows overseas to promote Singapore as a choice leisure destination.

CAG is also looking at growing new traffic segments, of which a key one is MICE – Meetings, Incentives, Conferencing and Exhibitions. It launched the 'In Singapore Incentives and

01 (preceding page)

CAG actively supports its airline partners in spreading the word about new city links through advertisements placed in mass media.

02

CAG and its travel trade partners promote travel to China's secondary cities with wall murals at the Chinatown MRT station.



03



04

Rewards' (INSPIRE) programme with the STB in August 2013, targeting the India market. The programme leverages Singapore's unique attractions such as Gardens by the Bay and Resorts World Sentosa to promote customised destination experiences to corporate incentive groups.

To effectively tap fly-cruise traffic from the Asia Pacific region, CAG and STB in September 2012 jointly supported Costa Cruises, part of Carnival Corporation, the world's largest cruise company, through a multi-million dollar collaboration which sees the cruise liner deploying more ships to Singapore. In the first year of the collaboration, 5,000 Asian cruise passengers flew through Changi Airport, and spent time in Singapore before and after their cruises. In tandem, CAG partnered airlines and travel agents to promote fly-cruise packages in markets such as China and India.

In recognition of CAG's various efforts at marketing Changi Airport as a choice passenger hub, it was presented with the Best Marketing award in the 'Over 50 million passengers' category for the first time at both the World Routes and Routes Asia 2014 conferences.

ENHANCING AIR CARGO CAPABILITIES

With weak economic conditions in the United States and Europe, coupled with the slowdown in growth for major economies such as China and Indonesia, the airfreight industry continued to face challenges in the year. Against this

backdrop, airfreight traffic at Changi Airport remained resilient, growing 0.4% to about 1.84 million tonnes of cargo.

One notable highlight of the year was the successful cultivation of Turkish Airlines, which resulted in the commencement of a weekly freighter service from Istanbul to Singapore (via Karachi), making Istanbul a new freighter city link for Changi Airport. As at 31 March 2014, Changi Airport had more than 320 weekly freighter flights served by over 20 cargo airlines around the world, linking Singapore to a total of 52 freighter city links.

Changi Airport continued to see growth in the cool chain cargo segment in FY13/14, with a total of 240,000 tonnes of temperature-sensitive cargo passing through. This was made possible through joint marketing efforts with key stakeholders and investments by ground handling agents to enhance infrastructure and handling capabilities.

An example was SATS Coolport's accreditation as the world's first Centre of Excellence in Pharmaceutical Handling by the International Air Transport Association (IATA) in February 2014. The IATA certification gives pharmaceutical companies the guarantee of excellence in service and ease in conducting audits at SATS Coolport, strengthening Changi Airport's proposition as the preferred regional pharma trans-shipment hub.

Changi Airport's cool chain capacity was also given a boost with the opening of dnata Coolchain in August 2013, giving logistics players more options. The new state-of-the-art facility has an annual handling capacity of 75,000 tonnes of cargo, increasing

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CAG regularly participates in travel and trade fairs in key markets to promote Singapore as a choice leisure destination.

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Changi Airport welcomes the opening of SATS Pharmaceutical Centre of Excellence.



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Changi's total cool chain handling capacity to more than 300,000 tonnes per annum.

CAG also partnered cargo stakeholders to showcase Changi Airport's air cargo capabilities and value propositions to international logistics players. For instance, in June 2013, CAG collaborated with Singapore Airlines Cargo, SATS Ltd and Alliance 21 (a Singapore-based airfreight company) to exhibit in Air Cargo Europe, a leading annual trade fair for the logistics and supply chain management sectors.

FY13/14 was also a significant year for the Singapore air cargo community as Changi Airport was voted by Cargonews Asia readers as the Best Airport in Asia at the annual AFSCA Ceremony for the 27th consecutive year. To mark the unprecedented achievement, CAG was also inducted into Cargonews Asia's Hall of Fame. This achievement recognises Changi Airport's status as one of the key airfreight hubs in Asia and the local air cargo community's sustained commitment to service and efficiency.

DEVELOPING THE BUSINESS AVIATION SECTOR

With rising consumer affluence in Asia, business aviation in Singapore has seen steady growth at a compounded annual growth rate of 13% from FY09/10 to FY13/14. Efforts by the Singapore government to develop Seletar Aerospace Park (SAP) and Singapore's ideal geographical location have also been contributing factors.

As part of CAG's long-term plan to position Seletar Airport as a major business and general aviation airport in the region, a full-scale review of the service and safety standards of the airport's ground handling agents was conducted in 2013. Minimum operating standards for essential airside services were put in place to level up service and safety standards and improve efficiency of airside operations. New ground handling licences were issued and took effect in April 2014.

In April 2014, Shell Eastern Petroleum took over fuel operations at Seletar Airport. This followed a comprehensive evaluation of competitive bids for the fuel farm management contract which is to last the next 10 years. With Shell's appointment, Seletar Airport users can look forward to benefitting from its knowledge of global best practices, high assurance in product quality, excellence in service delivery and continuous improvement through innovations.

In the course of the year, CAG forged on with enhancing Seletar Airport's infrastructure under a multi-year upgrading plan to support the development of the SAP. Two new compact parking plots have been operationalised, and new parking bays have been completed, augmenting the overall parking capacity at the airport.

With enhanced ground handling operations and improved facilities, Seletar Airport is set to capture growth opportunities in business aviation as the SAP develops into a mature business park and the demand for air travel picks up for Asia's affluent.

| AN EXPERIENCE ONLY AT CHANGI |



01

CAG strives for every passage through Changi to have the best airport experience possible. It aims for each passenger to remember a Changi Experience that is personalised, stress-free and positively surprising – elements of the Changi Service DNA. For the fifth time in history, and the second year in a row, Changi Airport took home the widely-recognised Skytrax ‘World’s Best Airport’ award in March 2014, adding to Changi’s over 460 accolades to date – a collective nod of affirmation from passengers and the international aviation community.

IMPROVING OPERATIONAL EFFICIENCIES FOR GROWTH

With growing passenger traffic amid Singapore's tight labour market, CAG continually strives to improve operational efficiency at Changi Airport while encouraging fast and seamless travel processes for passengers. This is done through the use of technology to automate processes, the provision of self-service options and the optimal reallocation of resources to meet capacity needs.

SELF-SERVICE MEASURES

In July 2013, Changi Airport, in partnership with Lufthansa German Airlines, embarked on a trial to assess the benefits of self boarding at the gate holdrooms. Rather than airline staff scanning boarding passes, passengers did so themselves before boarding the aircraft. This reduced boarding time by as much as 50%.

Airline staff previously assigned to this role could then be redeployed to provide other forms of service, especially to passengers in need of assistance, such as the elderly and families with young children. CAG worked closely with the Airport Police Division to ensure that there was no compromise to security, even with the increased automation. Following the successful trial, CAG plans to engage more airlines to use self-boarding gates for their departing flights.

In November 2013, Jetstar Asia Airways became the first low-cost carrier at Changi Airport to launch its 'Straight-to-Gate' initiative, which allows passengers without check-in luggage, and visa or special entry requirements, to bypass the manual check-in process at the counters.

This initiative redefines the travel experience for passengers and frees them from queuing, allowing them more time to enjoy the airport's amenities. Besides enhancing the passenger experience, this initiative has brought about productivity savings through the reduction of manpower needed. It is estimated that about 12,000 man-hours were saved in the first four months of the service being introduced.

OPTIMISING TERMINAL CAPACITY

As part of ongoing measures to optimise capacity utilisation across Changi Airport's three terminals and to cater to airlines' expansion plans, CAG completed a major airline relocation exercise, involving 34 airlines, in October 2013.

Thanks to careful planning with the affected airlines over several months, the transition was smooth, even for airlines moving to another terminal. Clear way-finding signs and the distribution of information leaflets to arriving passengers, taxi drivers and major hotel groups, also contributed to a successful exercise.

REFRESHING FACILITIES FOR PASSENGERS' COMFORT

Growing traffic and the changing profiles of passengers necessitates capacity planning and regular review of Changi Airport's facilities to ensure that they continue to meet passenger requirements comfortably.

Passengers at Changi Airport look forward to new and interesting facilities, and they were not disappointed during the year with the launch of The Social Tree and the Enchanted Garden.



02



03

01 (preceding page)
Passengers having a fun time posing in front of the Leaning Tower of Pisa topiary during the Christmas festivities.

02
The enhancements to power charging stations across all three terminals means more passengers can enjoy use of their electronic devices.



THE SOCIAL TREE ENCOURAGES TRAVELLERS TO LEAVE BEHIND A PART OF THEIR MEMORY AS A CONTRIBUTION TO CHANGI AIRPORT'S HISTORY, WITH THE PROMISE THAT IT WILL BE KEPT FOR MANY DECADES TO COME.



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ALLOWING PASSENGERS TO STAY CONNECTED

Launched in Terminal 1's Departure Transit Mall in June 2013 and set against the backdrop of the airport apron, the nine-metre tall Social Tree is Changi Airport's largest interactive installation to date.

Surrounded by eight touch-screen photo booths, The Social Tree enables travellers to attach their 'selfie' shots onto the colourful crown of the structure, which is made up of 64 giant 42-inch high-definition screens. These offer a spectacular 360-degree display of a range of animated backgrounds, ranging from the Singapore skyline to a mystical forest.

The photos and videos taken can be forwarded to the travellers' own email or social networking account or stored in The Social Tree. This encourages travellers to leave behind a part of their memory as a contribution to Changi Airport's history, with the promise that it will be kept for many decades to come. Those who return to Changi Airport can always retrieve and relive their digital memories from this digital time capsule.

In June 2013, improved power charging facilities were installed in the transit areas of Changi Airport. Charging consoles were upgraded to include USB ports and universal sockets to cater to various devices including tablets and cameras. From a mere 45 previously, there are now 880 charging points across all three terminals – all located near resting areas and provided free of charge.

ENCHANTING FLORA

In July 2013, Changi Airport opened the Enchanted Garden in Terminal 2's Departure Transit Mall. This is the airport's fifth garden following the Sunflower, Butterfly, Cactus, and Orchid gardens. With a dream-like feel, the Enchanted Garden contains four giant glass bouquet sculptures exquisitely decorated with a mosaic of reflective and shimmering stained-glass. Nestled within are a dazzling variety of freshly-cut flowers and soft ferns.

For the first time, the Enchanted Garden incorporates an interactive and immersive spin to the experience, where motion sensors trigger sounds of nature and blooming flowers, while



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fibre-optic and LED lighting embedded in the flooring, form a fascinating carpet of sparkling lights for exploring passengers.

CHRISTMAS WITH SPONGEBOB AND SANTA

Horticulture continued to take centre stage at Changi Airport during the Christmas season in 2013, when a botanical tour of world-famous landmarks across the terminals was used to inspire travel ideas. Large topiaries in the shapes of the Leaning Tower of Pisa, St Basil's Cathedral, the Colosseum and the Trojan Horse were created through the use of five thousand plant plugs in each topiary to create the perfect backdrop for photo moments.

In addition to plants, the popular animation character SpongeBob SquarePants was a highlight of the Christmas festivities. Visitors could peddle on Santa's sleigh to trigger a multi-sensory extravaganza of lights, sound, scent and even smoke bubbles at the 11-metre tall Pineapple House – SpongeBob's home – which charmed both the young and young-at-heart.

In SpongeBob's bedroom, visitors could see themselves expand or shrink in size through an optical illusion. Children could also enjoy the nine-metre high SpongeBob bouncy playground which featured a ball pit, a maze and a slide. To top it all, a photo booth eternalised the SpongeBob moments for visitors.

Santa Claus himself also made his presence felt at Changi Airport during the Christmas season, sharing interesting stories about Christmas and his country, Finland, with visitors.

While Santa delighted visitors with surprises, CAG heralded the spirit of giving with its 'Adopt-a-Wish' initiative at T3's Departure Hall and Departure Transit Mall. Good samaritans among airport visitors donated S\$20 for each of the more than 500 hand-written wishes from students of NorthLight School, a beneficiary of the Changi Foundation. Their contributions were used to purchase necessities for the students, thus capping the year with the warm spirit of generosity.

SIMPLY THE BEST

The 2013 Customer Satisfaction Index of Singapore, commissioned by the Institute of Excellence at the Singapore Management University, saw Changi Airport topping the list of all companies across all industries, with a score of 85.5. This was not only a record for Changi Airport, but was also the highest score registered by the index since its inception in 2007.

Outstanding service staff members in the airport community were honoured for their contributions at the Annual Airport

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Service Quality Award of the Year



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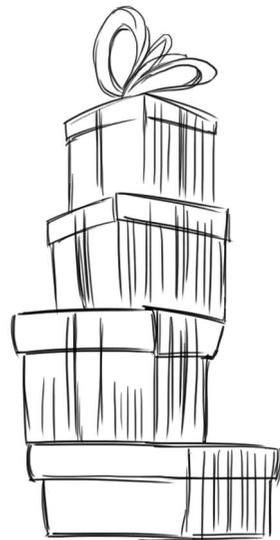
Celebration ceremony on 18 February 2014. These Service Awards were introduced in 1994 to recognise individuals and teams for their dedication to excellent service. This year, a total of 23 awards across five categories were presented by Transport Minister, Mr Lui Tuck Yew.

PARTNERSHIP FOR QUALITY

CAG works closely with its partners to uphold the service quality standards of Changi Airport through rigorous training for all staff throughout the airport community. In December 2013, a new ground handling Service Performance Incentive (SPI) scheme was introduced to drive service excellence among ground handlers at Changi Airport.

The SPI scheme seeks to enhance the performance of cargo, passenger and apron handling services. Incentives are given directly to individual staff, or to the ground handling companies for staff engagement and training when various targets are met. Since the introduction of the scheme, ground handlers have been performing well to achieve the targets set for most months. CAG is encouraged by the improvements achieved and will continue to work with the ground handlers to drive service and efficiency gains.

CHANGI AIRPORT TOPPED
THE 2013 CUSTOMER
SATISFACTION INDEX
OF SINGAPORE WITH
A SCORE OF 85.5,
THE HIGHEST SCORE
REGISTERED BY THE
INDEX SINCE ITS
INCEPTION IN 2007.



07
SpongeBob SquarePants partook in Changi Airport's Christmas festivities and opened his worlds to delighted kids at Changi.

08
Ho ho ho! Santa gave a warm welcome to visitors to T3 by inviting them into his 'house'.

Enabling Fast and Seamless Travel (FAST)

The FAST@Changi team was set up from within the Departure Experience division in the Airport Management cluster, to drive the airport's move towards self-service initiatives. As ground handlers continue to experience recruitment challenges, options such as self check-in kiosks, self bag-drops and self-boarding gates can help in the achievement of manpower savings and greater efficiency. Even as FAST initiatives are steadily rolled out at Changi Airport, the most extensive use of FAST will come in 2017 with the opening of Terminal 4.

The young and dynamic FAST@Changi team actively engages airlines, ground handlers and self-service infrastructure vendors. Working alongside other divisions within CAG, the team develops incentive programmes to encourage airlines to implement self-service initiatives, and at the same time, encourages adoption by passengers through education and publicity. The team is also working with the Airport Operations Planning division to plan the deployment of FAST in T4.

A day in the life of the FAST@Changi team typically includes ground observations of passengers using self-service initiatives such as the self-check-in and self-bag drop kiosks. Following a discussion with the relevant airline or ground handler on how to improve the passenger flow, the team has a conference call with the technology vendor on how to resolve glitches, if any. The team then scrutinises the latest figures on take-up rates by passengers and pitches to other airlines the benefits of introducing FAST schemes. Once an airline displays interest in coming on board a FAST initiative, it's a coup for the team, which then embarks on a new phase of work with the airline partner from planning trials to a successful roll-out plan, which could take several months. The FAST team also works closely with colleagues from Airport Operations, who have been tasked to implement

FAST schemes for Terminal 4, in ensuring that the FAST experience in both existing and future terminals will be equally positive.

FAST is a game changer in airport operations which inherently presents challenges as it alters existing operational processes and business models of many entities in the airport. The success of FAST is dependent on the concerted efforts of many airport partners. For example, the team has worked closely with the Airport Police Division to ensure that security requirements are not compromised.

The FAST@Changi team sees its work as a journey not only for CAG, but for the entire airport community and its passengers. With airport operations being increasingly automated around the world, the team looks forward to charting new paths in self-service initiatives beyond the next decade.



RETAIL THERAPY FOR THE WORLD



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The retail operations at Changi Airport play an integral and strategic role in CAG's business strategy. Growing commercial revenue enables CAG to keep aeronautical charges for airlines and airport users competitive, thus strengthening Changi's attractiveness as an air hub. Exciting retail options also contribute to an enhanced airport experience – a trait that Changi Airport is synonymous with. For FY13/14, concession sales grew 7.9%, hitting the S\$2 billion mark – a first in the airport's history – and securing Changi's place among the world's top four airports for airport retail.



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RETHINKING THE AIRPORT RETAIL EXPERIENCE

A good airport experience does not only boast of efficiency, enjoyable facilities and high service standards, but includes a retail experience that excites passengers. During the year, CAG awarded concessions in two core categories – Liquor & Tobacco (L&T) and Perfumes & Cosmetics (P&C). The most significant leasing exercise in more than six years, the tenders had a clear vision – to achieve a full transformation of both core categories so as to bring about a breakthrough in Changi Airport's retail experience and drive sales.

The tenders saw game-changing retail concepts being proposed by leading travel retail players from around the world. Following a thorough evaluation process, the L&T and P&C concessions were awarded to DFS Venture Singapore and Shilla Travel Retail respectively for a six-year period each. The tenancy contracts cover Changi Airport's three current terminals, as well as the upcoming Terminal 4, which is scheduled to open in 2017.

Both concessions will undergo a spectacular metamorphosis, complete with revolutionary duplex stores – a world's first for airports. With their majestic store facades and double-volume grandeur, the stores will be an attraction within the departure transit areas. Passengers can also look forward to a wider choice of products, unique offerings as well as an unparalleled shopping experience.

Much to the delight of connoisseurs, the 15 L&T stores in Terminals 1, 2 and 3 will house one of the most extensive, curated selections of liquor and tobacco in any airport worldwide, including the largest assortment of single malt scotch in an airport in Asia. Other highlights include a Long Bar set up in partnership with Raffles Hotel to serve the iconic Singapore Sling cocktail and other drinks, as well as a wide selection of wines.

Beauty aficionados can look forward to a good mix of both established and new international brands, as well as Korean beauty labels to cater to the fast growing fan base of Korean cosmetics worldwide. In addition to having an extensive range of brands and product variety, the shopping experience within the P&C stores is set for an innovative makeover as well. Shoppers can expect new concepts and offerings such as beauty cafes, personalised consultation and services, as well as exciting product launches.

The duplex L&T and P&C stores in Terminal 3 will be completed by the first half of 2015, with the duplex L&T in Terminal 2 commencing operations in 2016. The other L&T and P&C stores will be renovated progressively, with scheduled completion by the end of 2014 and early 2015 respectively.

01 (preceding page)
Soon to come: the most extensive, curated selection of Liquor and Tobacco in any airport worldwide.

02 & 03
The L&T and P&C stores at Changi Airport will undergo a spectacular transformation, bringing in revolutionary duplex stores – a first in an airport in the world for both categories.



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04 A hot chocolate? Local 'kopi'? A latte? Changi has them all.

05 Shoppers with an eye for glamorous and timeless chic fashion are spoilt for choice at Changi.

06 Paris Baguette opened its first outlet in an international airport outside of Korea at Changi.



07

WITH THE LAUNCH OF ISHOPCHANGI.COM, TRAVELLERS NOW ENJOY THE EASE OF BROWSING AND HASSLE-FREE BUYING IN THE COMFORT OF THEIR HOMES BEFORE THEIR FLIGHT.



BEYOND BRICK AND MORTAR

In a key customer touch-point initiative, CAG expanded its retail footprint by making its first foray into the e-commerce space. In September 2013, it launched Changi's very own online store – iShopChangi.com – bringing airport shopping to the fingertips of its customers.

With the launch of iShopChangi.com, travellers now enjoy the ease of browsing and hassle-free buying in the comfort of their homes before their flight. A centralised e-commerce platform allows customers to purchase items from multiple retailers across terminals, and enjoy the convenience of collecting them at a single location before boarding their flight. At the same time, shoppers still enjoy all the shopping advantages, including tax savings, money-back-guarantees, Changi Rewards loyalty programme perks and participation in airport promotions.

Offering more than 2,000 popular duty-free products from Changi Airport's retail stores, including perfumes and cosmetics, wines and spirits, chocolates and delicatessen, timepieces and electronic gadgets, iShopChangi.com presents an additional sales channel for CAG's retail partners to reach out to customers and raise visibility of their brands and products. Within a period of six months, the portal processed more than 5,000 transactions and registered more than 7,000 members.

REFRESHED RETAIL OFFERINGS

Changi Airport's retail space is constantly rejuvenated to accommodate the changing tastes of its diverse range of customers who come from across the globe. On the airport's 70,000 square-metre floor plate, CAG seeks to provide a wide spectrum of products across different categories and price points so that there is always something for everyone.

During the year, CAG successfully wooed 17 new-to-Changi brands, injecting much excitement for shoppers. The Departure Transit Malls welcomed up-and-coming brands such as Michael Kors, Furla, Tory Burch, as well as popular brands such as Uniqlo and Shilla Watches. The opening of Uniqlo at Changi Airport Terminal 1 marked the Japanese fashion chain's first outlet in an airport's transit area.

Departing and transit passengers can look forward to enjoying the best of local delicacies before their flights. A heritage-themed F&B concession at Terminal 3 was awarded in September 2013. When it commences operations in mid-2014, it will showcase Singapore's unique hawker food culture and history. Other new F&B brands in transit include Tip-Top Curry Puffs and Costa Coffee.

Changi Airport has also become a favourite haunt for Singapore residents, especially families. Airport visitors who may not be flying, together with meeters and greeters, find delight in shopping and dining in the public areas of Changi Airport. Over the year, food lovers welcomed Paris Baguette, a renowned Korean bakery that specialises in European-style pastries, as well



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09 Mr Irvung Tio rejoicing with his family on stage after he was crowned Changi's fourth millionaire.

10 Uniqlo's outlet at Changi is its first outlet in an airport Departure Transit Lounge.

as other outlets such as Twelve Cupcakes and Poulet. Retail brands such as Zap Watches and Du Yi Bookshop, as well as Changi Airport's only pay-per-use lounge in the public area – The Haven by JetQuay – also made their first footprints at Changi.

To better serve customers at Changi Airport, a one-stop customer service counter was introduced at the bustling Basement 2 of Terminal 3. Operating from 10am to 11pm daily, service staff provide assistance and information on shopping and dining options, airport facilities as well as on-going activities and promotions.

Today, Changi Airport has more than 350 retail stores and 120 F&B outlets across its three terminals, offering a myriad of retail and dining choices from local favourites to international brands.

PROMOTIONS AND REWARDS

Changi Airport's commercial strategy includes a strong retail mix that appeals to shoppers, on-going promotions to create retail buzz and excitement, and a strong tripartite partnership with tenants and brand partners.

To continue to deliver a fun and rewarding retail experience for shoppers, as well as to offer strong support to concessionaires, CAG organised two anchor retail promotions during the year – the 'Be a Changi Millionaire' lucky draw and a SpongeBob Squarepants-themed Christmas promotion.

The fourth instalment of the Changi Millionaire promotion proved again to be a resounding success. The promotion took on a fantasy theme and saw the airport decked out in whimsical decorations featuring giant replicas of retail products purchased by past Changi Millionaires including cameras, cosmetics and handbags, to create a shopping wonderland that could turn visitors' millionaire dreams into reality. On top of becoming millionaire hopefuls, shoppers also stood to win attractive instant prizes such as iPad minis, Samsung GALAXY cameras, shopping vouchers and other gifts. The six-month promotion garnered over 2.2 million participating entries from more than 210 countries, more than 2.5 times the number of entries during the inaugural run in 2010.

The year-end Christmas promotion brought much festive cheer from under-the-sea to shoppers with the popular cartoon character, SpongeBob Squarepants. Shoppers could purchase a set of plush toys or enjoy some bubbly 'underwater' fun at a bouncy playground mimicking SpongeBob's underwater town, the 'Bikini Bottom', which featured a ball pit, maze and slide.

Besides shopping promotions, other events and activities were also organised during the school holiday periods at the airport to introduce visitors to interesting destinations connected by air links from Changi Airport.

During the year, three destinations were featured – Indochina, Switzerland and Turkey. Besides interactive displays that were installed at these exhibitions, visitors partook in exciting activities

such as a 10-course obstacle track at the Indochina event, a cow-stacking challenge at a Swiss winter playground and a horse ride through exotic Turkey. These events proved to be successful and contributed to greater awareness of the featured destinations' attractions.

Another popular promotion during the year was the 'It's Raining Minions!' promotion, where shoppers could redeem a minion umbrella (in four designs) during the two-month promotion period. CAG also provided venue sponsorship for the Singapore HeritageFest 2013, and was recognised in the 'Supporter' category at the Patron Heritage Awards 2013, an event organised by the National Heritage Board.

Changi Airport's loyalty programme, Changi Rewards, continued to gain traction among shoppers and diners, with 150,000 new members during the year. Moving into its third year, the programme demonstrated increasing value for its members with exclusive promotions, such as the 'Save 2x7% GST' and offers at participating retail outlets and parking discounts for certain periods.

RENTABLE PROPERTIES

CAG manages the leases and operations of over 1,500 rentable premises within Changi Airport, including the Passenger Terminal Buildings (PTBs), Changi Airfreight Centre (CAC) and land leases.

The year saw challenging moments as aviation partners were more cautious about expansion and incurring huge capital expenditure for new premises. CAG worked closely with its partners and, through active engagement with tenants, managed to increase the occupancy rate for both the PTBs and CAC by 2.7% and 1.3% respectively. In total, aeronautical and non-aeronautical rental revenue rose 4% during FY13/14 compared to the previous year.

During the year, CAG continued to proactively engage the aviation community and improve the work environment. To ensure a higher level of privacy and comfort for users of its rentable premises, plans were made to upgrade the acoustics and air-conditioning systems in Terminal 3. This will involve major addition and alteration works in a live operational environment and will be phased over a few months to minimise disruptions. The works are expected to be completed before the end of 2014.

The amenities of Cargo Agents Building C in CAC – the oldest of the buildings managed by CAG – were also enhanced, with upgrading works to the lifts and toilets already in progress. CAG will continuously review opportunities for improvement to the buildings it manages even as they age, so as to maintain an optimal work environment for the airport community.

In a similar vein, CAG also engaged the cargo community through various platforms including bringing festive cheer and surprises to the tenants in CAC, such as holiday decorations, lion dance performances and a Mid-Autumn festive roadshow.

11 (preceding page)
The Haven by JetQuay, the only lounge in Changi's public area, offers a tranquil environment to travellers.

12 (preceding page)
With the opening of Poulet, diners at Changi can enjoy affordable French cuisine.

| SAFE & SECURE |



01

As operator of Changi and Seletar Airports, CAG plays a crucial role in ensuring safe and secure airport operations, yet at the same time providing such assurance to the travelling public and airport partners. The Aerodrome Safety Unit (ASU), Airport Emergency Service (AES) and Aviation Security (AvSec) divisions work very closely with the airport community to ensure the highest safety and security standards in both the Changi and Seletar aerodromes.

AERODROME SAFETY

ASU oversees the effective implementation of CAG's safety management system, underlining CAG's approach to safety, over and above regulatory compliance. CAG has in place a multi-tiered safety committee structure for the escalation and resolution of safety matters with the highest tier made up of a dedicated senior management team led by the CEO.

CAG seeks continuous improvement to achieve the highest level of safety in airport operations and capabilities in line with international standards and leading practices. In doing so, ASU works closely with the aerodrome safety regulator and operational divisions to ensure strict compliance to safety standards. As a proactive means to identify and address safety hazards, CAG maintains a confidential hazard reporting system for use by airport partners. It also actively disseminates safety messages, through print and electronic means, to reinforce a safety culture throughout the airport community.

As a certified aerodrome operator of both Changi and Seletar Airports, CAG is audited annually by the regulator to ensure that both aerodromes remain safe for flight operations. In preparation for the audits, ASU conducted several internal safety audits, including a comprehensive audit assisted by a consultant from the International Civil Aviation Organization (ICAO). CAG also completed certification renewal audits for both aerodromes.

In 2013, Changi Airport again received a deficiency-free rating from the International Federation of Air Line Pilots' Associations, a standard it has maintained since its opening in 1981. This recognition affirms CAG's resolve and commitment to aviation safety through the provision of a safe and efficient airport environment.

As CAG prepares for the next cycle of safety certification, ASU has been in close collaboration with respective divisions to strengthen CAG's workplace safety and health system. Training sessions are regularly conducted to enhance employees' understanding and implementation of robust risk management processes in their respective areas of oversight and responsibilities.

AIRPORT EMERGENCY SERVICE

AES is a highly trained specialist unit that is positioned to provide Aircraft Rescue and Fire-fighting (ARFF) for Changi and Seletar Airports in line with the requirements of the ICAO. It is also responsible for ARFF services at Republic of Singapore Air Force's airbases. Besides being the first responder to emergencies, including possible incidents involving chemical, biological, radiological, explosive and dangerous goods, AES also oversees fire safety procedures and policies at both Changi and Seletar Airports.

During the year, AES formed a new Inspectorate Unit to sharpen its focus in training, safety and standards. Additionally, AES officers are also kept abreast of latest developments in the ARFF industry through active participation in International Aviation Fire Protection Association forums, discussions and seminars.

AES also formed a partnership with NTUC LearningHub – the corporatised training arm of Singapore's National Trades Union Congress – to customise a workplace literacy programme for more than 100 AES officers.

On the international front, AES seeks continuous learning of best practices in ARFF from world-class airports. AES signed a Memorandum of Understanding with Dallas-Fort Worth Fire Training Research Center with the objective of collaborating in the areas of ARFF training, strengthening relationship between both parties and facilitating knowledge sharing. AES also spearheaded the formation of a new international working group, comprising sea rescue experts from Hong Kong, Auckland and Boston Logan International Airports, to develop best practices in sea rescue operations.

In September 2013, the division enhanced its emergency preparedness and rescue capabilities with the successful conduct of a full-scale aircraft crash exercise at night. 'Exercise Bobcat 2013' was a full troop deployment exercise that saw the involvement of more than 400 personnel, including senior management from CAG, the Civil Aviation Authority of Singapore (CAAS) and mutual aid partners. The exercise validated CAG's crisis plans and demonstrated AES' strong capability in coordinating emergency planning efforts involving both the airport community and mutual aid agencies.

In May 2013, AES conducted a Medical Awareness Seminar for medical responders in an aircraft emergency. Participants came from Changi Airport's healthcare provider Raffles Medical Group, the Ministry of Health as well as hospitals under the SingHealth and National Healthcare groups.

AVIATION SECURITY

Strong aviation security is an important enabler for business operations and also provides a competitive advantage for airports. The AvSec unit performs the key function of maintaining high standards of security management at Changi and Seletar Airports. It operationalises all airport security requirements and addresses security incidents, collaborating closely with agencies such as the Airport Police Division of the Singapore Police Force, Ministry of Home Affairs, Ministry of Transport, CAAS and security contractors.

With ongoing construction projects such as the Changi Creek development and crash/swing gate replacement impacting Changi Airport fence lines, AvSec works closely with CAG's Engineering Cluster to ensure that Changi Airport's airside perimeter continues to receive optimal Perimeter Intrusion Detection System coverage to meet the desired security outcomes.

CAG reaped productivity gains and cost savings with the streamlining of the Common Operator Review Facility and Hold Baggage Screening operations into two centralised screening rooms to serve Changi Airport's three terminals. These security screening functions were previously carried out in three separate screening rooms serving each terminal. The new initiative enhances the productivity of the screening officers, achieving productivity savings of 27 headcount, equivalent to cost savings of more than S\$1 million every year.

01 (preceding page)
'Casualties' being transported during
Exercise Bobcat 2013.

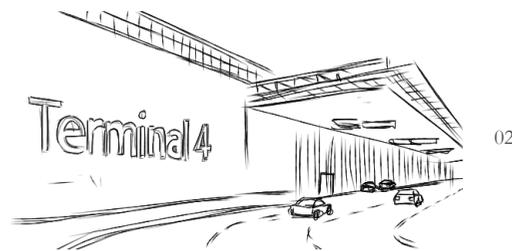
| PREPARING FOR THE FUTURE |



01

Changi Airport sits in the middle of a vibrant aviation market, rich in growth opportunities. Over the long-term, demand for business and leisure travel is expected to continue to rise with economic development, especially in Asia Pacific. CAG is preparing for the future by strengthening Changi Airport's capability to cater to more passengers and aircraft movements in the decades ahead and thereby securing Changi's status as a major air hub in the world.

T4'S CENTRAL GALLERIA ENABLES VISUAL CONNECTIVITY ACROSS THE CHECK-IN HALL, TRANSIT LOUNGE AND ARRIVAL BAGGAGE CLAIM HALL.



TERMINAL 4 – DEFINING TRAVEL

Terminal 4 (T4) broke ground in November 2013, marking yet another milestone in Changi Airport's history. The new terminal, to be developed on the site of the former Budget Terminal (BT), will add a capacity of 16 million passenger movements per annum to the current 66 million.

Unlike the BT however, T4 will deliver the premium airport experience that Changi Airport is renowned for. It will boast innovations in design, systems and processes that will enhance the travel experience, raise operational efficiency and manpower productivity for airlines and airport agencies. Self-service and automated options for check-in, bag drop, immigration clearance and departure gate boarding will be rolled-out extensively when T4 opens its doors in 2017.

The design of T4, based on a simple and yet functional architectural concept, is undertaken by a design consortium led by local architecture firm, SAA Architects, with close partners including UK architecture firm, Benoy. T4 will be a two-storey high compact terminal, incorporating thoughtful passenger-friendly facilities. It will see many 'firsts' and will serve as a test-bed for new concepts, with opportunities for CAG and the airport community to push boundaries to raise operational efficiency and manpower productivity.

The main enhancement to passengers' experience at T4 will be the extensive roll-out of self-service options in line with the fast and seamless travel (FAST) measures which CAG has introduced in recent years. With self-service trends gaining traction in airports worldwide, operations at T4 will leverage technology for self-service options and biometric passenger identity verification. These will significantly reduce waiting times at the various touch points in the terminal.

T4 will also adopt a centralised arrangement for Departure and Arrival Immigration as well as pre-board security screening. By virtue of the compact footprint of the terminal building, this layout will optimise deployment of manpower and equipment.

T4 will also present a new walk-through retail concept. After security clearance, passengers will enter the retail area for tax-free buys of popular items such as perfumes, cosmetics, liquor and tobacco. In all, T4 will feature more than 15,000 square metres of space dedicated to shopping and dining, approximately similar to the retail space in each of the other terminals.

Spanning across the length of the terminal is a 200-metre long and 18-metre wide Central Galleria which separates the transit areas from the public ones. A first in Changi Airport, the Central Galleria enables visual connectivity across three different spaces, namely the Check-in Hall, Transit Lounge and Arrival Baggage Claim Hall. The skylights above the Central Galleria will introduce natural light into the terminal, accentuating its spaciousness.

Following the groundbreaking of T4, CAG has awarded a S\$985 million construction contract to Takenaka Corporation, which was also involved in the upgrading of Changi Airport's Terminal 1 (T1) (2012) and Terminal 2 (T2) (2006). The tender exercise saw very competitive bids from local and international companies with vast experience in the construction of major infrastructure projects.

Cathay Pacific Airways is the first airline confirmed to operate at T4 when it opens. Besides the FAST initiatives that will be rolled out terminal-wide, the airline's passengers can look forward to a new and exclusive premium lounge in the transit area. The lounge will offer passengers views into the apron and runway and sightings of aircraft take-offs and landings.

01 (preceding page)
When completed, Project Jewel will be an iconic, world-class lifestyle destination.



PROJECT JEWEL – A LIFESTYLE DESTINATION

Another major project that will drive Changi’s growth is the redevelopment of the T1 open-air car park, the 3.5-hectare open-air car park in front of T1. As part of the redevelopment works, T1, which was previously hemmed in by roadways, will be expanded, allowing for more space for the arrival hall, baggage claim areas and additional taxi bays. This expansion project will allow CAG to increase T1’s passenger handling capacity from the 18 million it handled in 2013, to 24 million passengers per annum when completed in 2018.

On top of these terminal expansion works, CAG, in partnership with CapitaMalls Asia Limited is developing a mixed-use complex on the car park site. Codenamed Project Jewel, this complex is envisaged to be a world-class lifestyle destination that will enable Changi Airport to capture global tourism mindshare and strengthen its appeal as an air hub for transit and transfer passengers.

In December 2013, CAG and CapitaMalls Asia Limited’s wholly-owned subsidiaries – Jewel Changi Airport Holding Pte. Ltd. and CMA Singapore Investments (6) Pte. Ltd. respectively – entered into a joint venture (JV) agreement to jointly develop and manage Project Jewel. A private trust, a trustee-manager and a property manager were set up as the JV entities, with CAG being the majority 51% shareholder and unitholder of the JV entities, while CapitaMalls Asia owns the remaining 49%.

Designed by a consortium of consultants led by world renowned architect Moshe Safdie, and comprising Benoy and local architects RSP, Project Jewel, with its distinctive glass and steel façade, is expected to become an iconic landmark in Singapore. With five storeys above ground and five below, it will offer an exciting myriad of lifestyle offerings that will appeal to

both tourists and Singaporeans. There will be unique leisure attractions including a lush indoor garden with a central waterfall of about 40 metres in height, and a wide range of retail and dining offerings that will comprise exciting new-to-Asia names as well as popular household brands.

The facilities for airport operations in Project Jewel will further strengthen Changi Airport’s service offerings for its passengers. There will be facilities dedicated to fly-cruise and fly-coach passengers, as well as training facilities and communal event spaces for the airport community. In addition, the five-storey basement carpark will treble the capacity of the current T1 car park to about 2,500 parking spaces. With its prime spot in the heart of the airport, Project Jewel will also serve as a node to improve connectivity between the terminals and MRT station.

CHANGI EAST – READY FOR GROWTH

The Changi East development – on a 1,080-hectare site east of Changi Airport – is a longer-term project earmarked for completion in the mid-2020s. It will further augment Changi’s standing as an aviation powerhouse for the future. The multi-agency Changi 2036 Steering Committee, which CAG is a part of, is overseeing the construction of Changi East, which comprises the development of a new mega terminal, Terminal 5 (T5), and the implementation of a three-runway system.

T5 will have the capacity to handle about 50 million passengers per annum when it commences operations, making it one of the largest terminals in the world. The mega terminal will introduce new modes of operation for stakeholders – from airlines, ground handlers, and air cargo to Maintenance, Repair and Overhaul (MRO) companies and government agencies. T5 will be linked to Changi’s existing terminals, allowing Singapore’s air hub to be



04

operated as a single, integrated airport for ease of transfer between various terminals, maximum passenger convenience and airfield operational efficiency.

Conceptual options for the layout of T5 have been developed with views sought from stakeholders to further refine its design. Considerations have been given to factors such as passenger convenience as well as efficiency of airfield and terminal operations. The final design will be revealed after consultations with key industry partners.

Besides T5, another transformation that will further boost Changi Airport's air traffic capacity is the development of the third runway. Scheduled to be ready in the early 2020s, the project is a complex mix of extensive skill improvement, pavement and drainage works. Currently used by the military, Runway 3 will be extended from 2.75 kilometres to four kilometres in length to handle larger passenger aircraft, alongside some 40 kilometres of new taxiways that will connect Runway 3 to the current Changi airfield. New facilities such as navigation aids, airfield lighting systems and a fire station will be also built. Planning and preparatory works for the project have commenced.

Land has also been set aside for an industry zone at the northern end of Changi East, with much consideration given to the requirements of cargo partners, such as airfreight and air express operators, as well as MRO activities that will continue to augment the business and employment opportunities that the aviation industry brings holistically.

In order to create a contiguous and integrated airfield, it has been announced that the existing Changi Coast Road and the park connector beside it will be replaced with a new at-grade road and park connector further east, along the eastern coastline.

For good ground connectivity, the road infrastructure will be improved to ensure convenient access to T5. The terminal will also be connected to the MRT network. Changi Airport, which currently has three terminals, two runways and a total passenger handling capacity of 66 million passengers per annum, will

have four terminals and three runways with a total capacity of 85 million passengers per annum by the early 2020s. With T5, Changi Airport's passenger handling capacity will be further increased.

These significant investments in capacity, along with the development of T4 and Project Jewel, are necessary to allow Changi Airport to meet the projected strong growth of air travel in Singapore and the region. This will ensure Singapore's continued success as an air hub and the growth of its aviation industry.

IMPROVING EXISTING INFRASTRUCTURE

While forging ahead on its expansion plans, it is imperative for CAG to continue its maintenance and enhancement efforts of its existing airfield to support the needs of airlines at Changi Airport. Throughout the year, extensive airside works including land preparation and infrastructure support were carried out – so as to support a new nursery, maintenance bases and MRO hangars at Changi Creek, located at the northern part of airport.

The nursery was relocated from the South End Reservoir to the Changi Creek Reservoir area and the 10-hectare South End Reservoir was backfilled for the construction of remote aircraft parking stands to support flight operations. Eight new remote parking stands at the West Cargo area opposite the SATS Airfreight Terminals are also currently being constructed to increase the total number of aircraft parking stands at Changi Airport.

In order to maintain the integrity of existing runways and taxiways, CAG resurfaced eight kilometres of taxiways and carried out rehabilitation of aircraft pavements at parking stands with 40% recycled concrete, which is double the industry practice of 20%. Within the passenger terminal buildings, CAG has also commenced overhaul works on all lifts, escalators and moving sidewalks in T2.

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Project Jewel will allow global and local retailers to reach a cosmopolitan audience.

| INTERNATIONAL PRESENCE |



01

During the year, Changi Airports International (CAI), the investment and consultancy arm of CAG, continued its foray into overseas markets. Even while it consolidated its position in four airports in southern Russia, it extended its presence into South America by winning a concession to manage an airport in Brazil. On the consultancy front, CAI secured and delivered on a number of projects in China, India, South East Asia, the Middle East and Europe.



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BRAZIL

In November 2013, CAI and its Brazilian partner, Odebrecht TransPort (OTP), won a 25-year concession to manage Antonio Carlos Jobim International Airport (GIG) in Rio de Janeiro. As the second busiest airport in Brazil and an important gateway to the country, the involvement in GIG will be the largest investment by CAI, making it a landmark transaction for CAG's overseas footprint.

Under the concession contract which was signed in April 2014, CAI will hold 20.4%, OTP 30.6% and the state-owned airport operator, Infraero, retaining a 49% effective stake in the airport concession company. The first phase of airport expansion costing about S\$1 billion is targeted for completion before the 2016 Summer Olympics to be held in Rio de Janeiro. It will include terminal extension with 26 new contact gates, additional remote aircraft parking positions and car parks.

The airport concession company is expected to take over the airport from August 2014. Aside from governance through the shareholders' agreement and board representation, CAI will hold positions in the management team of the airport concession company. It will also be assisting in the transition, development and management of the airport through a multi-year technical services agreement.

RUSSIA

Since June 2012, CAI has been a 30%-shareholder in Basel Aero, a joint venture that owns and manages a group of four airports in the south of Russia. With CAI's involvement, the airports have seen significant improvements in the last two years.

One of the airports, International Airport Sochi, was the home airport of the 2014 Winter Olympics in February 2014. In

preparation for the event, International Airport Sochi completed massive infrastructure development, including a passenger gallery with 10 aerobridges, renovation of car parks and a new VIP terminal. It also streamlined its internal operational processes, including optimising in-house ground handling, creating an Operations Control Center and kick-starting proper Airport Service Quality monitoring, all in time for the Winter Games. During the peak Olympics departure days, International Airport Sochi handled an all-time high of 35,000 passengers a day without any delay to airport operations.

In 2013, Basel Aero and Nuance, a global duty-free retailer, formed a joint venture which will take over the duty-free operations and most of the duty-paid operations at the airports. With its expertise in airport retail, Nuance will introduce new innovative ways of running retail projects at the airports that will boost sales and increase the airports' non-aviation revenues.

INDIA

Durgapur Aerotropolis, the greenfield airport city in West Bengal being developed by Bengal Aerotropolis Projects Limited (BAPL) in which CAI has a 32.2% stake, has made progress. In September 2013, Durgapur Airport was named Kazi Nazrul Islam Airport (KNIA), after the Bengali poet, musician and revolutionary. KNIA commenced operations with helicopter services in December 2013 with Pawan Hans Limited, the largest helicopter operator in India, launching charter services between Durgapur and the cities of Kolkata and Shantiniketan. The next stage will involve township development and commencement of scheduled commercial flight operations by the end of 2014.

CAI will continue to play an important role in the development of KNIA under a five-year management contract which ends in 2017. Following its involvement in the airport master

01 (preceding page)
Aerial view of Antonio Carlos Jobim International Airport, Rio de Janeiro, Brazil.

02
Artist impression of the passenger terminal building of Kazi Nazrul Islam Airport, India.

03
External façade of terminal at International Airport Sochi, Russia.



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plan review, CAI will assist BAPL on airport readiness and commissioning, terminal and airside operations, as well as commercial and airline route development.

SAUDI ARABIA

CAI is in its final year of a six-year management contract with King Fahd International Airport (KFIA) in Dammam, Saudi Arabia. The CAI team, together with the local management, had delivered a number of the management contract milestones a year ahead of the contract completion. This included growing the airport's passenger traffic and doubling its non-aeronautical revenue. KFIA has successfully launched the KFIA Cargo Village under its Airport City project and tied up with major international courier companies to commence operations in 2014.

Elsewhere in Saudi Arabia, CAI, through its subsidiary Changi Airport Consultants (CAC), was engaged by King Abdulaziz International Airport (KAIA) of Jeddah for the development of the commercial layout and product mix for the new airport. CAC's efforts yielded a 10% increase in the overall commercial space – which was not an easy feat as the construction of KAIA was well in progress. An enhanced commercial layout that will allow the airport to maximise non-aeronautical revenue was also achieved.

ITALY

Notwithstanding the divestment of its stake in Rome's airports in 2013, CAI, through its subsidiary Changi Airport Planners and Engineers (CAPE), continued to provide advisory services on the development of Rome's Fiumicino Airport (FCO) under an ongoing engagement with Aeroporti di Roma, the airport's operator.



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In March 2014, CAI secured a consultancy project to develop a dual-hub commercial model for FCO, with each having its unique retail and dining environment. The project scope involves improving the passenger flow, configuring the commercial layout for optimal shop penetration, reorganising product offerings to optimise sales and rental revenue and showcasing the rich culture of Rome.

CHINA

In September 2013, CAI, through CAC, was awarded a contract to optimise the existing commercial layout and reconfigure the commercial offerings at the new Kunming Changshui International Airport (KCIA). Following a comprehensive passenger survey to understand the shopping and dining preferences of airport users of various demographics, CAC developed an effective and holistic commercial strategy and increased the airport's commercial space by 76%, meeting KCIA's target.

During the year, CAI also conducted airport management training in Singapore for senior management officers from Tsingdao Airport and Shenzhen Airport, among others.

FUTURE PLANS

In the years ahead, CAI's focus will be to strengthen the operational and management capabilities of the airports it has investments in and also play a key role in the infrastructure development of these airports as they gear up for major events. This is especially so for GIG in Rio de Janeiro which is preparing for the 2016 Summer Olympics. To help the airports grow, CAI will invest in developing the traffic potential of the airports and in capacity expansion.

CAI will also explore opportunities in Latin America, Russia and Southeast Asia through new investments and partnerships. To this end, it will strengthen its airport consultancy business by building new capabilities and a pipeline of compatible projects.

| DEVELOPING PEOPLE |



A good workforce has always been the foundation of a successful company. As a young company, it is imperative for CAG to hone its people-first culture, establishing staff-centred initiatives such as employee engagement and talent development as the building blocks of the organisation. This commitment to people development was affirmed at the 2014 Randstad Awards, where CAG was voted the third most attractive employer in Singapore through a nation-wide survey about companies and their employment practices.

PEOPLE JOURNEY

People are at the centre of CAG's business. To sustain a high performance standard across the organisation and to drive the business, our people managers must be able to lead and guide their people effectively.

In May 2013, CAG introduced the inaugural Developing Leaders Programme, a two-part leadership training workshop tailored for people managers across all levels with the aim of strengthening the CAG Leadership DNA.

Over 400 people managers, including senior management, attended the programme over a period of six months. Through the programme, which was very well-received, managers developed a deeper understanding of their leadership styles, and learnt how to better develop and engage the people under their charge.

Another facet of a strong leader lies in how he manages feedback. The 360-degree feedback system was introduced in 2013 as part of the leadership development effort across CAG. It seeks to provide people managers with an honest and constructive view on their leadership, so that they may grow to become even better leaders.

CAG's efforts to develop its staff extend across the organisation to non-people managers, with initiatives such as the Learning Festival and CAG Learns@Tea. The third run of the Learning Festival was held in September 2013 with the theme 'Service through Design'. The Design Thinking framework and methodology was introduced in CAG, and specifically applied in providing excellent service to both internal and external customer service. Design Thinking incubator sessions were introduced to key project stakeholders handling airport developmental projects and corporate initiatives. The sessions highlighted the importance of developing projects with user-centric considerations. The participants were also encouraged to prototype their ideas to test for effectiveness and user impact before implementation.

As part of the Learning Festival, staff also participated in Learning Journeys where they had the opportunity to learn more about the best service practices of five top employers in Singapore, namely American Express, McDonald's, Marriott Hotel, Tan Tock Seng Hospital and the Singapore Prisons Service.

EMPLOYEE ENGAGEMENT

Riding on the strong participation and response from the inaugural 2012 Employee Engagement Survey (EES), CAG continued with the second EES in 2013 to take stock of progress. An overwhelming 96% of CAG staff participated in the survey, and more encouragingly, the results showed significant improvement from the previous year. This signalled that the issues identified from the first EES had been adequately addressed. The results were unveiled at both the organisational and divisional levels, followed by dialogue sessions with staff to discuss the way forward.



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To build even stronger bonds among CAG staff, the annual Dinner and Dance was held in February 2014 at Resorts World Sentosa. Themed 'Around the World', it was an evening of excitement and fun as CAG staff bonded over dinner and the exhilarating performances by fellow CAG staff vying for the coveted champion title in CAG's very own talent show, CAG X-Factor.

Following the successful inaugural Annual Appreciation Awards (AAA) in 2012, the 2013 AAA continued to recognise CAG's long serving staff and those who exemplify CAG's core values.

The Long Service Awards recognise CAG staff for their commitment and dedication while the CAG Core Values Awards acknowledge individuals who best represent CAG's core values. The number of nominations saw an almost 50% increase over 2012. A total of 16 winners were eventually selected in the three categories – Best Buddy, Most Supportive Supervisor, Core Values and the Open Category. A new award – the Inspiring Mentor Award – was also introduced to recognise employees who have made a significant difference in CAG's corporate social responsibility efforts.

SECURING OUR FUTURE

With major developmental projects such as Terminal 4, Project Jewel and Changi East in the pipeline, it is crucial for CAG to secure the best talent as it prepares Changi Airport for the road ahead. CAG's Talent Internship Programme continued to be popular among undergraduates, with over 800 applications received, more than twice the number received the previous year. A total of nine internships were offered after a rigorous selection exercise.

CAG continued to enhance its employer branding through a strong presence at various scholarship and career fairs throughout the year. Apart from reaching out to undergraduates from the local universities, CAG also organised scholarship information sessions with graduating students from local pre-university institutions to share about the exciting career opportunities within the aviation industry.

Core Values Award Winner - Norzila Bte Yunus (Core Values Category)

Norzila is a member of the Benefits team in Human Resource. Having won the Core Value Award in 2012, Norzila has continued, in the spirit of excellence, to exemplify CAG's core values.

With a customer-centric mindset, Norzila has gone beyond her call of duty to ensure that her 'customers' leave in good spirits. As the officer who handles claims for the various benefits schemes, she does not have an easy job managing the many queries from employees as well as explaining the process and rationale behind each scheme. Yet, to many who have dealt with her, she has done an admirable job.

Norzila has also been credited for demonstrating integrity and a positive attitude towards her work. Said Sharom Bin Ismail, an AES officer, "She is always able to give me advice and assist in my personal planning. Whenever I needed any help on HR matters, she always provided her assistance readily and never ignored my requests, even though sometimes the questions may be somewhat trivial."



Core Values Award Winner

- Chia Hang Piow (Most Supportive Supervisor)

With nine nominations to his name, Hang Piow was unanimously recognised by his staff as a supportive supervisor. The Senior Warrant Officer from the Sembawang base of CAG's Airport Emergency Services (AES) was affirmed by his team to be a leader who truly cares and inspires them to achieve more.

Although over 50, Hang Piow is an inspiring role model who encourages his staff to keep up their fitness levels. One of his subordinates, Sergeant Muhd Hamir Bin Rohi, said, "Over the years, I had only managed a pass in my IPPT, but in 2012, under Hang Piow's motivation and training, I achieved a silver award!" Hang Piow walks the talk on fitness, joining his team in all physical activities, and leads by example with his excellent IPPT results year after year.

Hang Piow's support and care for his staff extend beyond training. As a team leader, his care and concern for the personal lives of his men have been acknowledged. Lance Corporal Mohd Hiszammudi recalled the time when his grandmother was admitted to the hospital for emergency surgery. "I called Hang Piow to request for special time off to be with my grandmother," he recalled. "Two hours later, my grandmother was still in the operating theatre. I called him to say that I would be returning to work, but he told me to take leave instead. He also shared with me his own experiences, and told me to cherish whatever time we have with our family."

Hang Piow is regarded by his subordinates as a fatherly figure who places his crew's well-being, both emotional and physical, as a priority. He would bring cooked vegetables from home to share during mealtimes to ensure that his crew keep a balanced diet, and often cracks jokes with his team to keep their spirits high.

"Working with him is a joy as he makes time to mingle with his crew and join in the banter with us," Mohd Hiszammudi said. "I often boast to our peers that we have the best supervisor of all in AES."



RESPONSIBLE CORPORATE CITIZENSHIP



01

CAG is cognisant that Changi Airport owes its success to the strong support that the people of Singapore have given it over the years. As a corporate citizen, it is committed to giving back to society through a community engagement programme targetted at less privileged youths. At the same time, CAG is mindful that Changi Airport's operations can impact the environment and hence, it invests manpower and other resources to develop environmentally responsible processes and procedures.

COMMUNITY

CAG's philanthropic arm, the Changi Foundation, was established in 2012 to reach out to disadvantaged youths – a social cause that CAG has supported since 2010. Each year, CAG allocates a percentage of its net profit to the Changi Foundation, which supports youth community efforts.

Backed by strong support from the voluntary participation of CAG employees, the Changi Foundation has impacted the lives of more than 1,000 youths through its programmes and activities. The programmes delve deep into supporting youths in their journey of transformation from adolescence to adulthood.

Recognising the importance of education as part of a youth's development, the Changi Foundation provides students from underprivileged backgrounds with financial assistance to enable them to continue their formal education. A total of 107 students from various beneficiaries such as Assumption Pathway School, NorthLight School and Students Care Service received the CAG - Howe Yoon Chong Book Prize award in 2013, which provides financial support for their tertiary education. In addition, 305 bursary awards worth some S\$114,000 were distributed to help needy secondary school youths stay in school.

In 2013, CAG partnered SportCares Foundation, a non-profit organisation under Sport Singapore, on a 'Saturday Night Lights' football programme. Launched by Mr Tan Chuan-Jin, then Acting Minister for Manpower and Member of Parliament for Marine Parade Group Representation Constituency, and Mr Lee Seow Hiang, CEO of CAG, 'Saturday Night Lights Central' rides on the popularity of football to keep disadvantaged youths, aged between 12 and 20, off the streets. It also aims to reinforce positive values such as team work, discipline and a sense of commitment towards achieving goals.

On Saturday evenings, the youths turn up at ITE College Central to benefit from quality football coaching and team camaraderie, capped off with dinner. Complemented with life skills workshops and motivational talks by sports personalities, the programme has become a powerful platform to engage youths in a community environment, one boosted by good role models. The sessions also offer CAG volunteers a unique and fun way to train with and mentor the youths. 'Saturday Night Lights' has been well-received by students, parents and teachers, with participation growing to about 80 youths.

CAG has also been actively driving donations by encouraging both airport visitors and staff to do their part for the community. As part of Changi Airport's Christmas celebration in 2013, the Adopt-a-Wish initiative was introduced to provide the opportunity of granting the Christmas wishes of underprivileged students. Students from NorthLight School were invited to pen their wishes, which were collected to adorn Christmas trees at Changi Airport. A total of 513 wishes were adopted and S\$10,749 was raised for NorthLight School – a sum that was matched dollar-for-dollar by the Changi Foundation. An additional S\$24,615 was raised at a CAG staff carnival, where staff came together to set up stalls to sell merchandise and raise funds for the Changi Foundation.



02

Over the year, more than 440 CAG staff volunteered in various activities at Northlight School as part of a longer-term partnership to benefit students throughout their entire secondary school life.

An example is the weekly reading programme, where CAG employees take time out to coach students in need of improving their literacy skills. Besides the structured volunteerism opportunities, employees have also taken the initiative to organise their own outreach effort, bringing NorthLight students to tourist attractions or conducting team-building activities as part of their team-bonding outings.

ENVIRONMENT

Adopting a sustainable environment mindset is also part of CAG's corporate citizenship. In line with this, CAG pursues various initiatives to ensure the growth of the business in a sustainable manner, in order to safeguard the environment for future generations.

Through the Changi Airport Group Environmental Policy, which serves as the bedrock of its energy, water, waste and noise management efforts, CAG is committed to carry out its activities in an environmentally responsible manner, setting targets and implementing specific action plans to address different environmental areas.

CAG achieved its Eco-office re-certification by the Singapore Environment Council in October 2013 and ISO14001 re-certification in February 2014, which saw the setting of new environmental targets such as reducing its energy consumption and improving waste management practices at Changi Airport over the next three years.

As part of CAG's efforts to grow awareness of the importance of sustainable operations, the company has expanded its outreach to include not only its employees but also its many airport partners. The first-ever airport-wide Recycling Day, organised on 15 November 2013, saw the participation of 14 airport partners such as SIA Engineering Company. In total, 3,365kg of recyclables were collected, ranging from old newspapers and cardboard, to equipment such as computers and toner cartridges. In addition, about 34,000 used lamps, which had reached the end of their lifespan, were collected from across Changi Airport's three terminals between January and October 2013, and sent for recycling.

On 29 March 2014, CAG participated in Earth Hour for the sixth year running. As part of CAG's commitment towards environmental sustainability, all decorative lights within the airport were switched off and non-critical operational lights were dimmed from 8.30pm to 9.30pm that evening.

01 (preceding page)

In the first nine months of 2013, CAG recycled about 34,000 lamps that were due for replacement.

02

Staff volunteers helping NorthLight School students with their reading skills.

SATURDAY NIGHT LIGHTS

New friends, new skills and a brand new motivation - just three of the many takeaways that Mohammad Irfan, one of the students at NorthLight School, has gained from CAG's 'Saturday Night Lights' (SNL) programme. Every Saturday, the Secondary 3 student turns up well ahead of his training session to prepare for a meaningful time of training and bonding with his peers.

Under the close mentorship of trained coaches, Irfan now spends three hours of his Saturday evenings honing his football skills, which he feels has moved him closer to realising his dream of becoming a professional, and being part of the Singapore national football squad one day.

Beyond the coaching received, Irfan is most appreciative that SNL has expanded his social circle. Through SNL, he has made friends who share a similar passion and who are equally driven in achieving like-minded goals; exerting a more positive influence on him.

Mr Vishaal Bhardwaj, who has been teaching Irfan Mathematics for the past two years, has noticed a marked improvement in the 15-year-old's grades. More importantly, Mr Bhardwaj, who is also the subject head for Character and Citizenship Education at NorthLight School, has seen an improvement in Irfan's attitude towards school and his teachers.

Mr Bhardwaj attributes this change to the way the SNL programme is positioned to students – it is a reward for doing well in school. Together with the football coaching and team jerseys that CAG provides, the students greatly value the opportunity to be a part of the programme and this serves as a very tangible form of motivation for them to put in more effort at school.

The school has received positive feedback from the students' parents too, as it helps to keep their children in a safe and positive environment, especially during the weekends.

While NorthLight School runs many other programmes for its students, Mr Bhardwaj feels that SNL has proven itself to be an effective means of motivating students in both their studies and character development.

Apart from funding, the strong logistical support and sustained commitment from CAG and its employee volunteers has brought an extra impact to the lives of NorthLight students.



| ENGAGING DIGITALLY |



01

Since 2009, Changi Airport has been actively developing its social media presence and today, it has the world's largest communities on Facebook and Instagram among airports.

During the year, Changi Airport received recognition for its social media engagement efforts when it won the 'Best Use of Social Media' award from The Moodie Report for the second consecutive year.

BUILDING BRAND LOVE

The Fans of Changi social media programme seeks to engage travellers from around the world, generating awareness of Changi Airport's offerings and strengthening brand advocacy through comments, likes, retweets and shares. The high level of engagement – the backbone of Changi Airport's social media blueprint – harnesses fans and followers to appreciate the brand.

Recognised for its first-class amenities and service, Changi Airport aims to foster bonds with existing fans and aspiring travellers. Through Fans Of Changi, photos of amenities are frequently featured to remind passengers of what awaits them as they travel through Changi.

For example, a YouTube video entitled 'A Day in the Life of Changi Airport' was shot in a tilt-shift photography style – a first for Changi. It gave different glimpses of the daily operations of the airport in a most fun and engaging manner.

On Facebook, special features heralding the unsung heroes of Changi proved extremely popular. Audiences showed much support – and appreciation – for the good and hard work these staff members put in to keep Changi Airport top-notch at all times.

Another highlight was a post announcing the 'World's Best Airport' win at the 2013 Skytrax Awards. The post received 5,600 likes; 207 comments and almost 700 shares – testament of the strong support and bond that Changi Airport has fostered with its fans on Facebook.

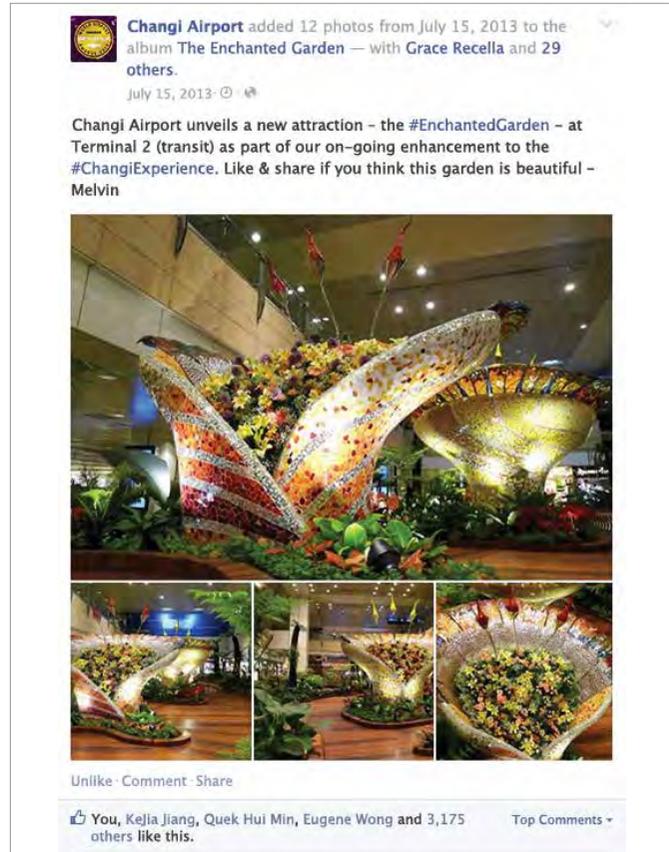
Twitter has also been extremely successful in extending Changi's reach to followers and travellers, building brand affinity and enhancing customer engagement. In response to an increasing number of passengers tweeting their queries and feedback, staff members of the Changi Contact Centre have been trained to use Twitter.

INSPIRING TRAVEL

Apart from a mix of beautiful destination images, aircraft photos and travel tips, Fans Of Changi ran online contests that both fuelled fans' wanderlust and at the same time increased awareness of airline partners operating at Changi Airport.

A good example was the 'Travel Tails Challenge' contest launched in October 2013 where participants were asked to identify airlines by their tail fins. The most successful contest to date, this 15-day contest attracted over 16,000 unique participants and resulted in more than 11,000 stories created on Facebook.

Travel deals were also promoted actively on Twitter while #WindowPeek photos by passengers who took photos from aircraft windows were showcased on Instagram. A time-lapse video of flights arriving at Changi Airport produced by an amateur photographer was also shared on the YouTube page, garnering many views and positive comments on various social media channels.



PROMOTING RETAIL AND DINING

Retail and dining options at Changi Airport were also given 'airtime' on Fans Of Changi. These included marketing campaigns such as the annual 'Be A Changi Millionaire', '2 X GST' promotion, iShopChangi portal and the Christmas festive offer.

Exclusive product launches and events such as the global debut of the SK-II Stempower Essence at Changi were also highlighted. Other promotional content organised by tenants were publicised using Facebook, Twitter and Instagram to foster stronger partnerships with commercial tenants.

MEANWHILE, IN CHINA...

With an entirely different social media landscape in China, Changi Airport has also grown its Sina Weibo following to 100,000 fans as at March 2014. Daily engagement posts, innovative contests and customised campaigns on the platform continue to enable Changi Airport to reach out digitally to travellers.



03

As the Fans of Changi social media channels continue to engage travellers from around the world, Changi Airport will continue to explore new channels and platforms to grow its online presence and extend the Changi Experience digitally to engage with passengers even outside of the airport.

The Fans of Changi social media platforms have been very successful in extending Changi Airport's reach beyond passengers using the airport. They have also proven to be useful channels for engagement with fans and followers.

Here are some statistics for FY13/14:



357,847 Facebook fans*
Growth: 219,861 (increase of 159%)



World's largest airport Facebook page

410 posts
417,149 likes
30,044 comments
29,130 shares



27 videos posted
1,983,878 video views
(increase of 190%)



15,319 Twitter followers*
Growth: 8,316 (increase of 119%)



6,375 tweets
6,881 favorites
2,380 replies
13,686 retweets
1hr, 38mins, 31secs average reply time



10,447 Instagram followers*
Growth: 7,652 (increase of 274%)



World's largest airport Instagram account
383 posts
162,151 likes
3,334 comments

Note:

*Number of fans/followers is taken as of 31 March 2014

Growth & other stats are calculated based on activity for the period 1 April 2013 to 31 March 2014

AWARDS & ACCOLADES



2013

DATE	AWARDS	PUBLICATION/ ORGANISATION	NO. OF TIMES
Apr	World's Best Airport 2013	Skytrax	4
	Airport Authority with the Most Supportive Approach to Travel Retail	Duty Free News International & Travel Retailer International	6
	Best Airport (World)	Travel + Leisure, India and South Asia	2
May	Best Airport in the World	Business Traveller, Middle East	10
	Best International Airport	TravelWeekly China	6
	Best Airport - Asia	Cargonews Asia	27
	Airport Authority in Asia / Pacific with the Most Supportive Approach to Travel Retail	Duty Free News International & Travel Retailer International	14
	Best Airport in the World	Ultratravel	7
Jun	Best Airport for Frequent Travellers	Business Traveller, Germany	20
Jul	World's Best Airport	Travel + Leisure	1
Aug	Best Airport Worldwide	Smart Travel Asia	5
Sep	Best Airport in the World	Condé Nast Traveller, UK	8
	Best Airport in the World	Business Traveller, Asia Pacific	22
	Best Airport in Asia Pacific	Business Traveller, Asia Pacific	4
Oct	Best Airport in the World	Business Traveller, UK	26
	Asia's Leading Airport	World Travel Awards	10
	Travel Hall of Fame - Airport	Travel Trade Gazette, Asia	11
	Long Haul Airport of the Year	Selling Long Haul	10

ACCOLADES RECEIVED BY SINGAPORE CHANGI AIRPORT (2013/14)

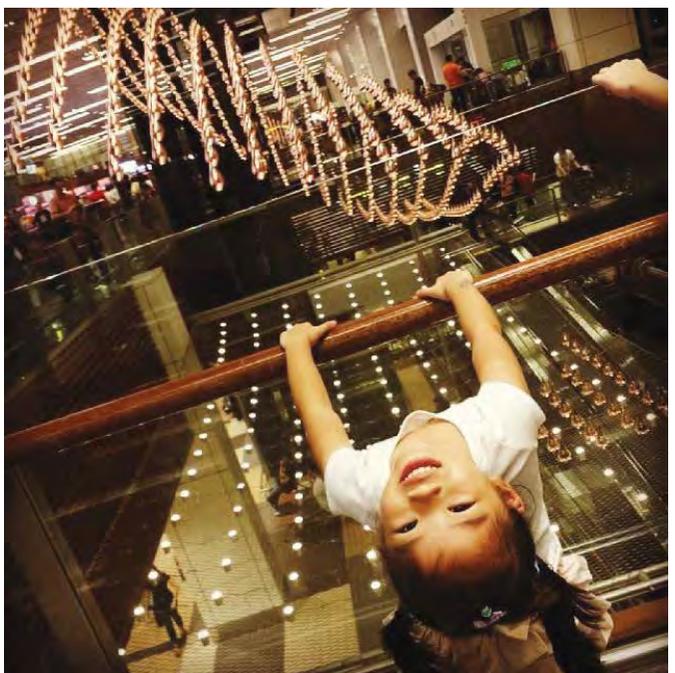


DATE	AWARDS	PUBLICATION/ ORGANISATION	NO. OF TIMES
Nov	Airport Innovation	Global Airport Development	1
	Best Airport in the World	Business Traveller, China	9
	Best Airport	Condé Nast Traveller, India	3
	World's Leading Airport	World Travel Awards	8
Dec	Best Airport in the World	Business Traveller, US	21
	Best Airport in the World	Premier Traveler	2
	Best Airport Dining	Global Traveler	4

2014

DATE	AWARDS	PUBLICATION/ ORGANISATION	NO. OF TIMES
Jan	Deficiency - Free	International Federation of Airline Pilots Associations (IFALPA)	33
	Airport of the Year	Air Transport World	1
Feb	Top Worldwide Airport	Wanderlust	12
	Best Airport in Asia Pacific	DestinAsian	9
	Best Airport by Size (over 40 million)	Airport Council International	3
Mar	Best Foreign Airport	Condé Nast Traveller, Russia	2
	World's Best Airport 2014	Skytrax	5
	Favourite International Airport	Outlook Traveller	1
	Best Airport (World)	Travel + Leisure, India and South Asia	3

@FansofChangi on Instagram



GROUP FINANCIAL SUMMARY

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90	Listing of Significant Companies in the Group

The Group Financial Summary as set out on pages 82 to 91 contains only a summary of the information extracted from the Directors' Report, Statement by Directors and the audited consolidated financial statements of Changi Airport Group (Singapore) Pte. Ltd. and its subsidiaries for the financial year ended 31 March 2014.

For a full understanding of the state of affairs of the Company and the Group as at 31 March 2014 and of the results of the Group for the financial year ended 31 March 2014, the Group Financial Summary should be read in conjunction with the audited consolidated financial statements and the audit report thereon, which can be obtained via the Company's website (www.changiairportgroup.com).

DIRECTORS' REPORT

For the financial year ended 31 March 2014

The directors present their report to the member together with the audited financial statements of the Group for the financial year ended 31 March 2014 and balance sheet of the Company as at 31 March 2014.

DIRECTORS

The directors of the Company in office at the date of this report are as follows:

Mr Liew Mun Leong
Mr Eric Ang Teik Lim
Mr Michael George William Barclay
Mr Miguel Ko Kai Kwun
Ms Lim Soo Hoon
Mr Richard R Magnus
Mr Dilhan Pillay Sandrasegara
Mr Danny Teoh Leong Kay
Mr Derrick Wan Yew Meng (alternate director to Ms Lim Soo Hoon)
Mr Lee Seow Hiang

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain directors have received remuneration as a result of their employment with related corporations.

SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors



Liew Mun Leong

Director



Lee Seow Hiang

Director

30 May 2014

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2014

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 85 to 123 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



Liew Mun Leong

Director



Lee Seow Hiang

Director

30 May 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Changi Airport Group (Singapore) Pte. Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 85 to 123, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2014, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.



PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 30 May 2014

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2014

	2014 \$'000	2013 \$'000
Revenue	2,106,391	1,911,070
Expenses		
- Employee compensation	(175,753)	(147,795)
- Depreciation of property, plant and equipment	(264,606)	(283,301)
- Property tax	(48,063)	(66,070)
- Maintenance of land, buildings and equipment	(266,171)	(262,856)
- Services and security related expenses	(169,419)	(159,088)
- Annual ground rent and licence fees	(79,250)	(79,250)
- CAAS services	(136,191)	(109,044)
- Other operating expenses	(45,954)	(41,656)
Total	(1,185,407)	(1,149,060)
Gain on disposal and reclassification of investments	29,042	78,008
Other income	28,394	18,571
Property tax refund	98,309	-
Share of profit of jointly-controlled entities and associated companies	2,363	25,134
Profit before income tax	1,079,092	883,723
Income tax expense	(183,150)	(132,240)
Profit after tax	895,942	751,483

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2014

	2014 \$'000	2013 \$'000
Profit after tax	895,942	751,483
Other comprehensive (loss)/income:		
Items that may be reclassified subsequently to profit or loss		
Financial assets, available-for-sale		
- Fair value gains	-	6,645
- Reclassification to profit or loss	(6,645)	-
Share of other comprehensive loss of an associated company		
- Losses	-	(918)
- Reclassification to profit or loss	-	(287)
Currency translation differences		
- Losses	(24,285)	(781)
- Reclassification to profit or loss	-	22,976
Other comprehensive (loss)/income, net of tax	(30,930)	27,635
Total comprehensive income	865,012	779,118

BALANCE SHEETS

As at 31 March 2014

	GROUP		COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	3,635,621	2,644,693	3,623,024	2,614,949
Trade and other receivables	161,602	155,885	154,008	374,954
Financial assets, available-for-sale	-	255,794	-	-
Held-to-maturity financial assets	50,000	-	50,000	-
Inventories	9,069	9,295	8,674	9,079
Other current assets	27,041	11,801	26,185	10,862
	3,883,333	3,077,468	3,861,891	3,009,844
Non-current assets				
Property, plant and equipment	2,452,029	2,501,697	2,449,938	2,501,169
Investments in subsidiaries	-	-	257,965	257,264
Investments in jointly-controlled entities and associated companies	285,432	266,686	10,652	10,652
Financial assets, available-for-sale	-	34,005	-	-
Held-to-maturity financial assets	59,985	-	59,985	-
Deferred income tax assets	180	20	-	-
Other non-current assets	3,694	54	37	54
	2,801,320	2,802,462	2,778,577	2,769,139
Total assets	6,684,653	5,879,930	6,640,468	5,778,983
LIABILITIES				
Current liabilities				
Trade and other payables	419,633	345,771	492,480	362,917
Income received in advance	56,785	11,712	56,859	11,714
Deferred income	3,690	3,484	3,513	3,483
Current income tax liabilities	189,761	153,963	189,263	153,626
	669,869	514,930	742,115	531,740
Non-current liabilities				
Deferred income	83,240	86,032	83,240	86,032
Deferred income tax liabilities	137,649	136,026	137,648	135,948
Other non-current liabilities	46,686	30,690	46,686	30,690
	267,575	252,748	267,574	252,670
Total liabilities	937,444	767,678	1,009,689	784,410
NET ASSETS	5,747,209	5,112,252	5,630,779	4,994,573
EQUITY				
Share capital and reserves	3,269,121	3,300,051	3,280,387	3,280,387
Retained profits	2,478,088	1,812,201	2,350,392	1,714,186
Total equity	5,747,209	5,112,252	5,630,779	4,994,573

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2014

	Share capital \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Hedging and other reserves \$'000	Retained profits \$'000	Total equity \$'000
2014						
Beginning of financial year	3,280,387	6,645	58	12,961	1,812,201	5,112,252
Dividend paid	-	-	-	-	(230,055)	(230,055)
Total comprehensive income	-	(6,645)	(24,285)	-	895,942	865,012
End of financial year	3,280,387	-	(24,227)	12,961	2,478,088	5,747,209
2013						
Beginning of financial year	3,280,387	-	(22,137)	14,166	1,117,418	4,389,834
Dividend paid	-	-	-	-	(56,700)	(56,700)
Total comprehensive income	-	6,645	22,195	(1,205)	751,483	779,118
End of financial year	3,280,387	6,645	58	12,961	1,812,201	5,112,252

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2014

	2014 \$'000	2013 \$'000
Cash flows from operating activities		
Profit after tax	895,942	751,483
Adjustments for:		
- Income tax expense	183,150	132,240
- Depreciation of property, plant and equipment	264,606	283,301
- Dividend income	(770)	(759)
- Government grant	(16,807)	(14,375)
- Gain on reclassification of investment in an associated company to financial asset, available-for-sale	-	(78,008)
- Gain on disposal of financial assets, available-for-sale	(29,042)	-
- Net loss/(gain) on disposal of property, plant and equipment	254	(41)
- Share of profit of jointly-controlled entities and associated companies	(2,363)	(25,134)
- Currency translation differences	(27)	35
- Amortisation of deferred income	(3,484)	(3,483)
- Interest income	(24,274)	(15,915)
	1,267,185	1,029,344
Changes in working capital		
- Inventories	226	(860)
- Trade and other receivables	(5,149)	(20,284)
- Other assets	(11,734)	76,637
- Trade and other payables	135,564	(40,032)
Cash generated from operations	1,386,092	1,044,805
Interest received	20,840	13,261
Government grant received	16,921	29,349
Income tax paid	(145,753)	(75,318)
Net cash provided by operating activities	1,278,100	1,012,097
Cash flows from investing activities		
Additions to property, plant and equipment and capital work-in-progress	(216,079)	(103,781)
Proceeds from disposal of property, plant and equipment	963	1,146
Proceeds from disposal of financial assets, available-for-sale	312,196	-
Payment for investment in a jointly-controlled entity and associated company	(41,797)	(214,945)
Share application money for an associated company	(3,657)	-
Dividend income received	1,369	3,759
Purchase of held-to-maturity financial assets	(110,155)	-
Bank deposit withdrawn/(pledged)	22,660	(22,325)
Net cash used in investing activities	(34,500)	(336,146)
Cash flow from financing activity		
Dividend paid to equity holder of the Company	(230,055)	(56,700)
Net cash used in financing activity	(230,055)	(56,700)
Net increase in cash and cash equivalents	1,013,545	619,251
Cash and cash equivalents at beginning of financial year	2,621,545	2,002,329
Effects of currency translation on cash and cash equivalents	12	(35)
Cash and cash equivalents at end of financial year	3,635,102	2,621,545

LISTING OF SIGNIFICANT COMPANIES IN THE GROUP

For the financial year ended 31 March 2014

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2014 %	2013 %
SIGNIFICANT SUBSIDIARIES				
Held by the Company				
Changi Airports International Pte. Ltd.	Investment holding and provision of consultancy services in the field of civil aviation	Singapore	100	100
Changi Travel Services Pte. Ltd.	Sale of travel and tour-related products and packages	Singapore	100	100
Jewel Changi Airport Holdings Pte. Ltd.	Investment holding	Singapore	100	-
Held by the Group				
Changi Airport Consultants Pte. Ltd.	Provision of airport related consultancy services	Singapore	100	100
Changi Airport Planners and Engineers Pte. Ltd.	Provision of professional engineering services in the field of civil aviation	Singapore	100	100
Changi Airport Saudi Ltd.	Execution of contracts relating to the management and operations of airports	Saudi Arabia	100	100
Changi Airports China Ltd.	Investment holding	Singapore	100	100
Changi Airports Europe Pte. Ltd.	Investment holding	Singapore	100	100
Changi Airports India Pte. Ltd.	Investment holding	Singapore	100	100
Changi Airports MENA Pte. Ltd.	Investment holding	Singapore	100	100
Theta Enterprise Pte. Ltd. (formerly known as Changi Airports Henan Pte. Ltd.)	Investment holding	Singapore	100	100
Excelente B.V.	Investment holding	Netherlands	100	-

LISTING OF SIGNIFICANT COMPANIES IN THE GROUP

For the financial year ended 31 March 2014

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2014 %	2013 %
SIGNIFICANT JOINTLY-CONTROLLED ENTITIES AND ASSOCIATED COMPANIES				
Held by the Company				
Experia Events Pte Ltd.	Organising and management of conferences, exhibitions and other related activities.	Singapore	20	20
Held by the Group				
Bengal Aerotropolis Projects Limited	Development of airport and township projects	India	26	26
Transport AMD-2 Ltd	Investment holding	Russia/Cyprus	37.5	37.5
OJSC International Airport Sochi	Providing airport and related services	Russia	37.5	37.5
OJSC International Airport Krasnodar	Providing airport and related services	Russia	37.5	37.5
OJSC International Airport Anapa	Providing airport and related services	Russia	23.7	23.7
Basel Aero LLC	Airport management	Russia	37.5	37.5
Rio de Janeiro Aeroporto S.A.	Investment holding	Brazil	40	-
Concessionária Aeroporto Rio de Janeiro S.A.	Airport concessionaire	Brazil	20.4	-

| CORPORATE INFORMATION |

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