FOR IMMEDIATE RELEASE

CCS Issues a Clearance Decision on the Acquisition by Cebu Air, Inc, of Southeast Asian Airlines (SEAir)

1. The Competition Commission of Singapore ("CCS") has cleared the notification for decision ("the Notification") received on 23 May 2014 from Tiger Airways Holdings Limited ("Tigerair Holdings") and Cebu Air, Inc. ("Cebu Pacific") ("the Parties"). The Notification was made pursuant to section 58 of the Competition Act (Cap. 50B) ("the Act"), in relation to the acquisition of Southeast Asian Airlines (SEAir), Inc. ("SEAir") by Cebu Pacific ("the Acquisition"). SEAir was partly owned by Roar Aviation II Pte. Ltd, a wholly owned subsidiary of Tigerair Holdings. CCS has concluded that the Acquisition does not infringe the section 54 prohibition of the Act.

2. In relation to the Acquisition, CCS assessed and found that the relevant market affected by the Acquisition is the Singapore – Clark route. CCS noted the following:

a. Prior to the Acquisition, Cebu Pacific and SEAir were the only two airlines competing on the Singapore – Clark route after several entry and withdrawal of other airlines on this route; and
b. Post-merger, the number of competitors remains at two on this route given the re-entry of Tiger Airways Singapore Pte. Ltd. ("Tigerair Singapore") in March 2014.

On the basis that Tigerair Singapore and Cebu Pacific have been competing on the Singapore – Clark route, CCS found that the Acquisition does not lead to a substantial lessening of competition on this route.

3. In its Notification, the Parties also submitted that a Strategic Alliance Agreement ("SAA") --- entered into between Cebu Pacific and Tigerair Singapore, a wholly-owned subsidiary of Tigerair Holdings --- constitutes an ancillary restriction[1] directly related to and necessary for the implementation of the Acquisition, which

[1] Agreements, arrangements or provisions that may be potentially anti-competitive if considered alone, but are essential for the implementation of the Acquisition.

then qualifies it to be excluded from the relevant prohibitions in the Act[2]. The SAA provides for, among others, the following:

a. Joint operation of common routes between Singapore and the Philippines;
b. Joint sale and marketing of common and non-common routes using codeshare or interline arrangements; and
c. Cooperation in relation to sales and marketing, distribution, airport operations and ground handling, scheduling, pricing, service policies, innovation, procurement.

However, CCS has determined that the SAA does not constitute an ancillary restriction to the Acquisition. This means the SAA is not excluded from the Act and a separate review by CCS is necessary to determine whether the SAA is anti-competitive. Given this, the relevant parties have filed a separate notification to CCS for decision pertaining to the SAA..

4. CCS gave its clearance decision for the Acquisition on 20 August 2014. More information about the Acquisition, including the Grounds of Decision for the clearance, can be found under "**Public Register – Mergers & Acquisitions**" on CCS's website.

About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Competition Act (Chapter 50B) on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties.

[2] Under paragraph 10 of the Third Schedule of the Act, any agreement or conduct that is directly related and necessary to the implementation of a merger is exempted from section 34, which prohibits agreements that restrict, prevent and distort competition in Singapore, and section 47, which prohibits abuse of a dominant position in any market in Singapore.

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