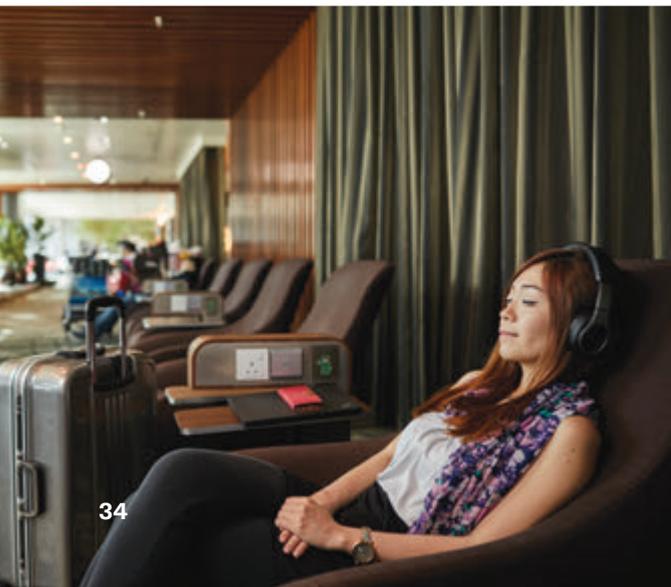
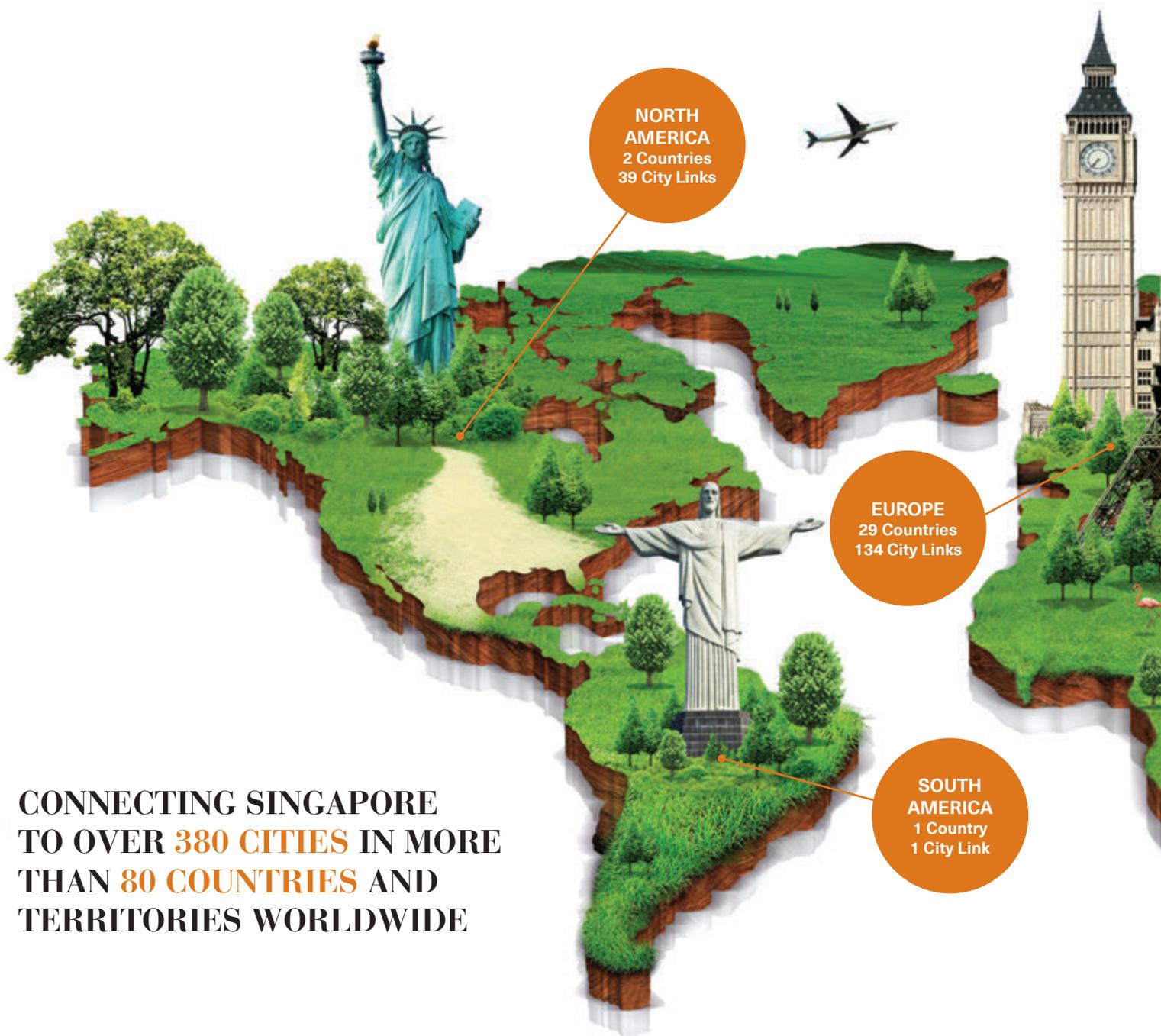


BUSINESS & OPERATIONS *REVIEW*





GLOBAL *CONNECTIVITY*



NORTH AMERICA
2 Countries
39 City Links

EUROPE
29 Countries
134 City Links

SOUTH AMERICA
1 Country
1 City Link

CONNECTING SINGAPORE TO OVER 380 CITIES IN MORE THAN 80 COUNTRIES AND TERRITORIES WORLDWIDE

- AMERICAS**
- North America**
- Canada
- United States
- South America**
- Brazil

- ASIA**
- Central Asia**
- Uzbekistan
- Turkmenistan
- Middle East**
- Bahrain
- Egypt
- Oman
- Qatar
- Saudi Arabia
- United Arab Emirates

- Northeast Asia**
- China
- Hong Kong, SAR
- Japan
- Macau, SAR
- South Korea
- Taiwan
- South Asia**
- Bangladesh
- Bhutan
- India
- Maldives
- Nepal
- Sri Lanka

- Southeast Asia**
- Brunei Darussalam
- Cambodia
- Indonesia
- Laos
- Malaysia
- Myanmar
- Philippines
- Thailand
- Timor Leste
- Vietnam

- EUROPE**
- Eastern/ Central Europe**
- Albania
- Azerbaijan
- Bulgaria
- Croatia
- Czech Republic
- Hungary
- Poland
- Russia
- Slovenia
- Ukraine
- Turkey



Western Europe

Austria
Belgium
Denmark
Estonia
Finland
France
Germany
Greece
Italy
Lithuania
Luxembourg
Netherlands
Norway

Portugal

Spain
Sweden
Switzerland
United Kingdom

AFRICA

Eastern Africa

Ethiopia
Kenya
Mauritius
Rwanda
Tanzania
Uganda

Southern Africa

South Africa
Western Africa
Burkina Faso
Cote d'Ivoire
Ghana
Republic of Congo
Senegal

SOUTHWEST PACIFIC

Australia
Cook Islands
Fiji
New Zealand
Norfolk Island
Papua New Guinea
Samoa
Solomon Islands
Tonga
Vanuatu

Figures include both physical and codeshare links (As of 31 March 2017)

AIR TRAFFIC *STATISTICS*

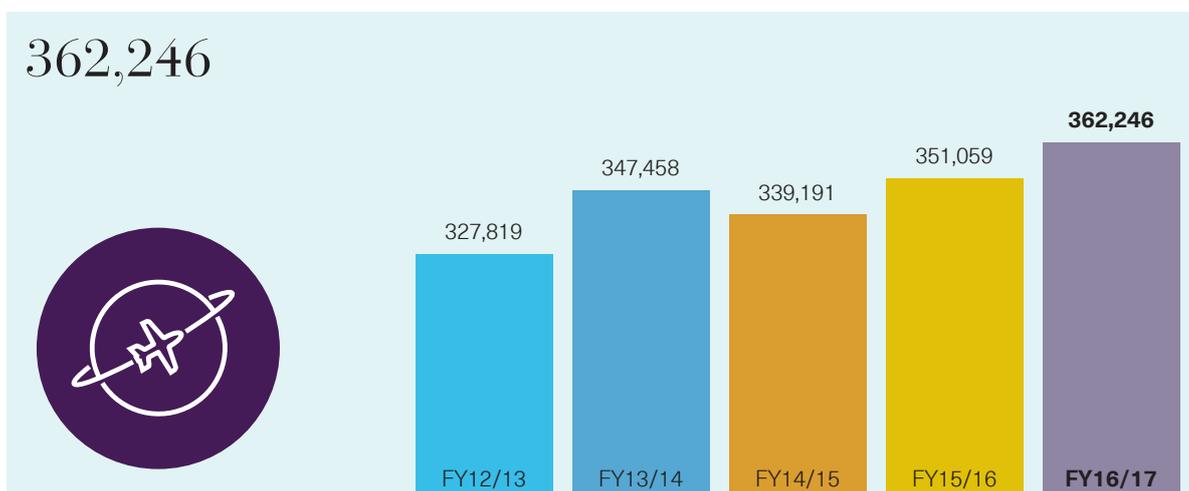
FY16/17 PASSENGER MOVEMENTS



FY16/17 AIRFREIGHT MOVEMENTS (TONNES)



FY16/17 COMMERCIAL AIRCRAFT MOVEMENTS



@CHANGIAIRPORT ON *INSTAGRAM*



A PREMIER *AVIATION HUB*

In FY2016/17, global travel demand continued to grow with lower oil prices offering airlines some respite in a highly competitive environment. Changi Airport captured a fair share of this global growth, with 59.4 million passengers passing through its doors during the year – a 4.6% increase. This was the highest number of passenger movements achieved in a financial year since the airport's opening in 1981.

Changi Airport maintained its position as the world's sixth busiest airport for international traffic, with aircraft movements rising 3.2% to reach 362,246 flights. Traffic to all regions saw positive growth, with the Southeast Asia and South Asia regions seeing an increase of 5.3% and 7.3% in passenger movements respectively.

The emerging Africa region also saw strong double-digit growth of more than 22%.

During the year, Changi Airport welcomed four new airlines – Fiji Airways, K-Mile Air, Silk Way West Airlines and US Bangla Airlines. Fiji Airways forged deep partnerships with Jetstar Group and Jet Airways during its first year of operations at Changi, providing its passengers with convenient and seamless connections between Nadi and more than 20 destinations in Southeast Asia, North Asia and India, via the Changi air hub.

Eight new city links were established from Singapore to Australia (Canberra), China (Urumqi), Fiji (Nadi), Germany (Düsseldorf), India (Amritsar and Jaipur), Japan (Sapporo) and New

Zealand (Wellington). Changi Airport also made good progress in the development of its long-haul routes with the introduction of Singapore Airlines' (SIA) services to Düsseldorf, as well as the launch of non-stop flights to San Francisco by SIA and United Airlines.

Strong growth in Asia and emerging markets

Among Changi's top country markets, Indonesia retained its top spot, followed by Malaysia, China, Thailand and Australia. China in particular showed robust growth of 14%, overtaking Thailand and Australia to become the airport's third largest source market. Changi's top five routes by passenger movements remained unchanged with Jakarta leading the list followed by Kuala Lumpur, Bangkok, Hong Kong and Manila.



Fiji Airways is one of four new airlines which joined the Changi family in the past year.





West Air's city link to Urumqi is an added boost in cultivating the aviation market between Singapore and the cities under China's One Belt, One Road plan.

Following the launch of direct services by Air Mauritius to Singapore in March 2016, Changi saw a strong five-fold increase in passenger traffic between the two countries. This also boosted traffic between Singapore and the African continent, which was the fastest growing region for Changi Airport for the year.

In FY2016/17, 5.8 million passengers travelled between Singapore and China – contributing to almost 10% of Changi Airport's total passenger movements. Traffic growth was largely fuelled by strong travel demand to Singapore, as well as additional capacity injection on routes such as Guangzhou, Shenzhen, Fuzhou and Nanjing. Guangzhou in particular saw growth of more than 20% year-on-year.

Besides West Air's new service to Urumqi, Changi Airport also saw the resumption of direct flights to Wuxi with Tigerair's four weekly services launched in April 2016. Tigerair and Scoot further enhanced Changi's connectivity to China by launching non-stop services to Zhengzhou and Shenyang respectively, providing greater convenience and more travel options to passengers.

With these developments, Changi is now connected to 32 Chinese cities and offers more than 76,000 weekly

one-way seats to China – a year-on-year growth of 19%.

Growing new traffic segments

By embarking on various partnerships with airlines, travel agents and tourism boards to promote travel via Changi to destinations beyond Singapore, CAG worked to grow new passenger segments to pursue sustainable traffic growth.



The Singapore-homeported Ovation of the Seas, is one of three ships under Royal Caribbean International that will sail and bring fly-cruise passengers to Singapore. (Photo: Royal Caribbean International)



CAG also continued to cultivate traffic in the Meetings, Incentives, Conventions and Exhibitions (MICE) segment and to provide customised experiences for large MICE groups going beyond Singapore. Under the Singapore MICE Advantage Programme, CAG renewed its partnership with SIA and the Singapore Tourism Board (STB), as well as two new partners – JetQuay and Uber – to enhance Singapore's offerings by delivering a holistic Singapore experience. This programme focuses on attracting conventions and exhibitions occurring in the next five years to Singapore.

Through the In Singapore Incentives & Rewards (INSPIRE) programme, CAG worked with STB and various attractions to target high-yield meetings and incentive groups from key source markets such as China, Europe as well as North America.

Fly-cruise is also another emerging high-value segment for Singapore, with 16% growth in cruise passenger throughput registered in 2016. To develop this segment, CAG has been partnering STB and various cruise brands to bring fly-cruise passengers to Singapore. In March 2017, CAG entered into a second tripartite partnership with Royal Caribbean International and STB, which is expected to bring



In-market campaigns such as this promote Changi Airport as the preferred hub from which travellers can explore the region.

in 45,000 fly-cruise passengers annually. The first partnership, which commenced in 2015, is expected to bring in around 195,000 passengers to Singapore over a three-year period.

During the year, CAG also enhanced trade partners' efforts in travel fairs – particularly in Indonesia – which resonated with Indonesian consumers. Passengers welcomed additional incentives given out at these fairs such as Changi Airport shopping and dining vouchers. As part of a two-year Memorandum of Cooperation signed with STB, the joint marketing funds supported six travel fairs organised during the year. These projects contributed to the healthy growth in passenger traffic between Indonesia and Singapore, while deepening CAG's working relationship with trade partners.

For achieving success in marketing Changi Airport as a desired air hub, CAG was named the overall winner of the World Routes Marketing Awards 2016. The awards are voted for by airlines and hence are highly regarded in the aviation industry.

Promoting Singapore in key markets

Changi Airport continued in efforts to engage consumers in four source markets (Australia, China, India and Indonesia) with the business objectives of inspiring travel, increasing spend

per passenger and building brand advocacy. Partnerships with key travel agents, travel and lifestyle platforms and key influencers were forged to reach consumers where they typically visit to research and book their trips.

To encourage travellers from Australia and China to travel beyond Singapore to new destinations, CAG developed interesting video content, tapping on the influence of social media celebrities and key opinion leaders to reach out



Changi Airport supports airlines through regular in-airport destination marketing events to bring updates on the latest travel hotspots to the public.



to the target audience. The strategy proved effective, with heightened engagement and increased recall of Changi Airport's offerings registered.

Email databases grew exponentially in the key markets to support direct marketing efforts, generating strong customer leads for CAG's travel and retail partners.

Social media marketing efforts in these markets were tailored to their native language or leveraged trending topics to further augment engagement. For example, geo-targeted posts in Bahasa Indonesia were served to Facebook fans in Indonesia, while a social media campaign was launched in conjunction with Diwali to encourage fans in India to travel to Singapore. These activities resonated well with the respective markets, resulting in increased reach and enhanced brand equity. Through editorial content and tactical campaigns on WeChat, an ubiquitous messaging app in China, Changi Airport has not only grown its fan base, but also increased retail spend at the airport during peak travel seasons.

Boosting Changi's air cargo capabilities

Changi Airport handled close to two million tonnes of cargo in FY2016/17 – a 7.0% increase and a new high in the airport's history. Improvements in its cargo flows were seen across the board, especially for cargo segments such as e-commerce, perishables and pharmaceuticals.

With the robust growth of e-commerce in recent years, Changi saw key investments by its strategic partners to harness the region's e-commerce potential. For instance, DHL Express launched its fully-automated South Asia Hub at Changi Airfreight Centre, which tripled DHL's cargo handling capacity to 628 tonnes per day during the peak processing window, and increased its parcel-sorting speed by six-fold to 24,000 shipments and documents per hour. SATS also opened its 6,000-square-metre eCommerce AirHub, which tripled its mail sorting and processing capabilities.

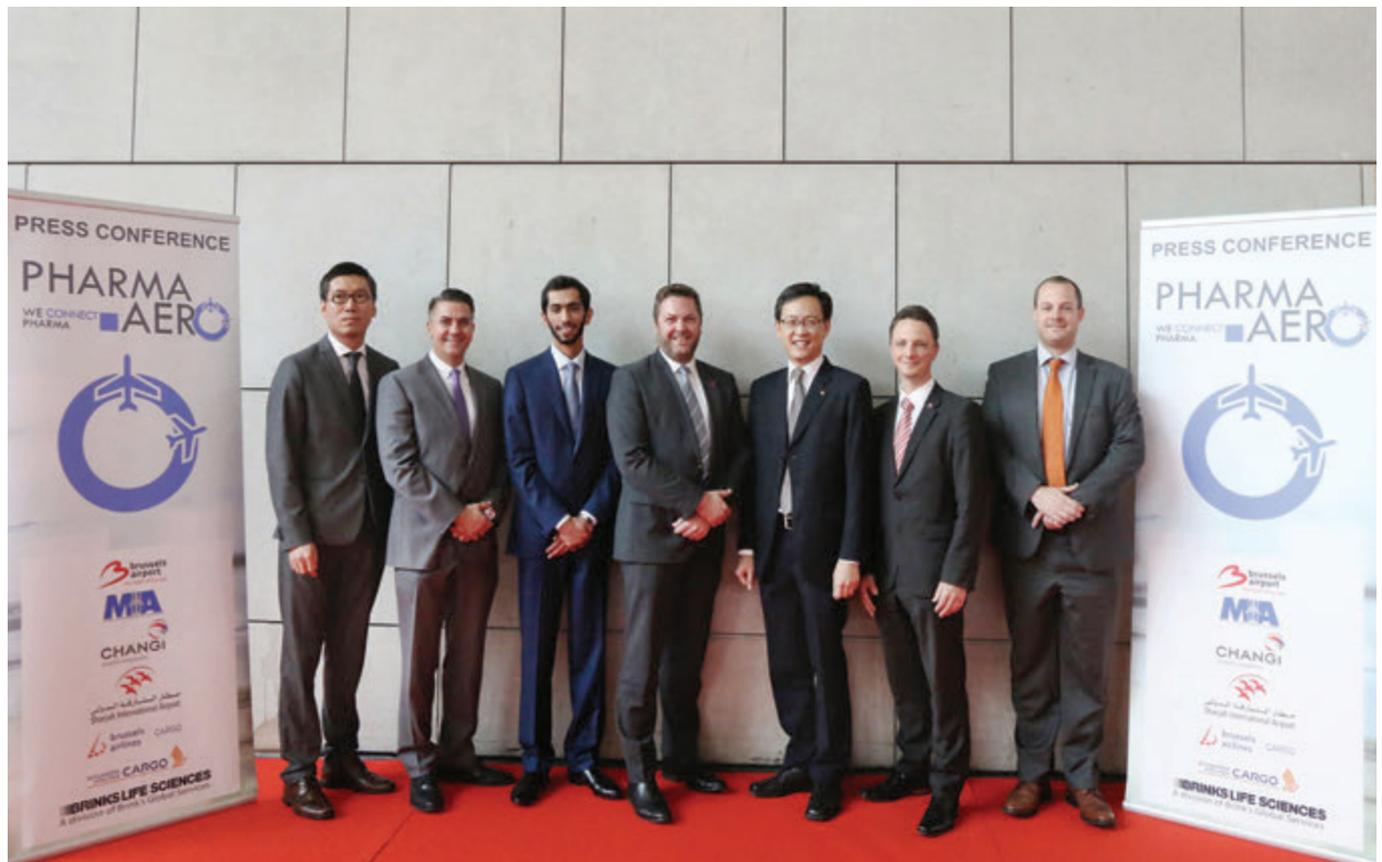
Changi continues to anchor its status as a trusted hub for pharmaceutical handling. In October 2016, CAG joined Pharma.Aero, an organisation comprising stakeholders of the air cargo supply chain from around the world, dedicated to achieving excellence in end-to-end air transportation for pharma cargo.

Changi also became the first airport in the Asia Pacific region to form an airport community to achieve certification as an IATA Center of Excellence for Independent Validators on Pharmaceutical Handling (IATA CEIV Pharma), allowing pharmaceutical products to be handled with the highest standards at Changi.

For its efforts, CAG was awarded Asia Pacific Airport of the Year 2016 (Customers' Choice) by Payload Asia for the third consecutive year and Cargo Airport of the Year 2016 (over 1 million tonnes) by Air Cargo News. These achievements are a testament to Changi Airport being a key air cargo hub in the region.



Changi Airport is the first airport in Asia to join pharmaceutical-focused organisation Pharma.Aero as a strategic member.



A “WOW” CHANGI *EXPERIENCE*



Adorable Pikachu dancing to choreographed music at the first-ever Pikachu parade at Changi Airport.

Driven by the desire to deliver a personalised, stress-free and positively surprising experience for passengers at Changi Airport, exciting projects and initiatives were rolled out in the year to wow passengers, while ensuring that operations continued to run efficiently.

As an affirmation of CAG's efforts, Changi Airport received 25 Best Airport awards in FY2016/17. These include the World's Best Airport award by Skytrax for the fifth consecutive year, and the Best Airport in the World award from Business Traveller for the 29th year running. As it stands, Changi Airport has received over 530 awards to date.

Festive cheer

The year-end holidays are a special time of the year when travellers

around the world are in a joyful and festive mood. To add to the season's festive cheer, Changi decided to ride on the global interest in Pokémon by picking the well-loved pocket monsters as the mascots for Changi's festive celebrations at the end of 2016.

On 18 November 2016, the first-ever Pikachu parade in Singapore saw star-struck fans gather at Changi Airport to catch a glimpse of the cute Pokémon. A contingent of 10 Pikachu delighted fans with an energetic and super *kawaii* dance number, followed by a single-file march across the length of T3's Departure Hall which provided fans with plenty of opportunities to catch the yellow critters in live action.

By the end of the festive celebration, over 100,000 airport visitors had been

treated to the various *Pokémon@Changi* activities. These included a multi-sensory light show with music and dancing trees amidst snowfall, photo opportunities with Pokémon characters and the seven-metre-tall Pikachu balloon sculpture that took centre stage in T3's Departure Hall.

Festivities are never complete without toys. Fans and shoppers redeemed over 260,000 Pokémon plush toys in nine limited edition designs over the entire campaign period. The extravaganza eventually reached over 25 million social media users, and was covered by over 170 local and international media titles.

The *Pokémon@Changi* event enhanced the joyous ambience in the terminals and brought delight to passengers and visitors during the

year-end festive period. The well-received event reinforced Changi's proposition as a destination on its own, and a transit hub of choice among travellers in the region.

Enchanting memories

Changi also strives to create memories for the public and passengers through its unique and colourful horticulture displays during the year's various festivals and major events. For example, during Deepavali, peacock topiaries measuring four to six metres were created using cut flowers, potted orchids and bromeliads, providing a visual feast for visitors. More than 200,000 visitors saw the displays, and more than 35,000 positive feedback was generated on-ground as well as on various social media channels.

Similarly, larger-than-life lanterns were created for the airport's landscape displays to celebrate the Mid-Autumn Festival. Inspired by colourful cellophane lanterns that children carry and Chinese folklore of the magical carp and the Jade Rabbit on the moon, the displays provided interesting photo opportunities to both locals and foreigners alike. The explanation panels put up at the display areas also gave visitors a background of the festival and the display items. More than 153,000 people visited the installations, with over 19,000 positive feedback received on-ground as well as through social media.

In addition to horticulture displays, to enchant passengers the moment they step into Changi Airport and to create a distinctive Changi identity, a signature scent – Orchid Tea fragrance – was specially designed for use in Changi's terminals.

Inspired by the gardens in Changi Airport, the light floral fragrance was designed to be subtle, yet unique and identifiable. Comprising notes of orchid, damask rose, ylang-ylang, geranium, mint, citrus, South American yerba mate, white flowers and other spices giving an Asian twist, the scent is currently diffused at selected locations in the airport.

Through the Orchid Tea fragrance, CAG aims to enhance the airport experience by forging lasting positive emotions in passengers as they associate this unique fragrance with travelling through Changi.

Fast and Seamless Travel (FAST)

In the course of the year, Changi continued to develop FAST initiatives for the convenience of passengers and to reap productivity savings. FAST comprises a suite of self-service initiatives at four key passenger touch points – check-in, bag drop, immigration clearance and boarding. Since the inception of self-service check-in in 2014, it has gained traction with both passengers and airlines, and the airport has seen an increase in the adoption rate by passengers. Besides improving passenger experience and increasing

throughput, the implementation of FAST also enables airlines to reap manpower and cost savings.

In tandem with the expansion works at T1, a new Central FAST zone was introduced in the terminal. This major initiative transformed the layout of the existing check-in rows in the central section of T1 into a dedicated zone where passengers can check in at automated check-in kiosks and drop off their bags at the bag drop machines.

Currently, Jetstar Group and Qantas are two major carriers using the Central FAST zone at T1. Both airlines, as well as their ground handling agents, have embraced this new concept, enabling them to handle higher passenger traffic efficiently. To enhance passenger experience, the FAST zone also boasts a refreshing look and feel, offering greater space and comfort for passengers. With this, passengers can now opt for self-service and have better control over their travel journeys, including the option to check-in earlier.

To encourage more passengers to use the self-service initiatives, the automated check-in kiosk has also been redesigned to make them more ergonomic and pleasing to the eye. In the process of designing the kiosk, every detail such as the kiosk height and screen tilt angle was carefully considered in consultation with airline partners and ground staff. The user



Wowing passengers with impressive peacock topiary displays at T2 during Deepavali.



New automated check-in kiosks at T1's central FAST zone offer self-service convenience to passengers.



interface was also tweaked to make it more intuitive for passengers' use. The design was eventually shortlisted for the Singapore President's Design Award 2016.

At the same time, to prepare for the roll-out of FAST in T4, which will be the first terminal at Changi Airport to feature the entire suite of self-service options, 'live' trials were carried out on the new automated bag-drop machines, now equipped with facial recognition technology for automated identity verification. Cathay Pacific and AirAsia Group, which will be moving to T4, have been providing FAST travel options to their passengers at T1 since February 2017. Conducted as part of the T4 Operational Readiness & Airport Transfer (ORAT) programme, these trials were designed to familiarise both passengers and staff with the new FAST systems and processes before the airlines start operations in T4.

Automation for more convenience

With the automated check-in and self bag drop options, passengers can now check in even before their airline's manual counters open. To facilitate early check-in by passengers using T1, Changi Airport has installed a new automated Early Baggage Storage system (EBS) which can accept check-in luggage up to 72 hours before flight time. When the flight time draws near, the system automatically retrieves and dispatches the luggage to the baggage track, where the luggage will then be loaded onto the aircraft. Commencing operations in February 2017, the EBS can store about 1,000 pieces of luggage at any point in time.

To provide more transport booking options for arriving passengers, Changi Airport also introduced the Ground Transport Concierge self-service booking system in the Arrival Halls in all three terminals in December 2016. Previously administered as a counter service during fixed hours, this service to book large and limousine taxis as well as city shuttle bus rides has been automated to provide passengers with convenient round-the-clock service. These transport options complement the metered taxis available at each terminal, as well as buses and the MRT trains in getting passengers quickly and efficiently to their destinations.

ONE GRACIOUS CHANGI



CAG staff and airport partners giving an energetic start to the ONE Gracious Changi campaign with their cheers and encouragement.

As CAG continues to roll out enhancements to increase the efficiency of airport operations, its fundamentals continue to be underpinned by a strong service-oriented mindset. Every day, some 50,000 staff across more than 200 agencies work hand-in-hand at Changi Airport to deliver a consistent Changi Experience for passengers.

From September to November 2016, CAG brought back the popular ONE Gracious Changi campaign. Into its second run this year, the campaign, helmed by ONE Changi Leaders, focused on four Gracious Acts:

- i) Return your tray before going away;
- ii) Give up your seat to those in need;
- iii) Push the trolley away and keep a clear walkway and
- iv) Bin there, done that.

Gracious Ambassadors from various airport partner agencies came together to walk the ground to encourage gracious acts among the airport community.

To deepen engagement efforts within the ONE Changi community, 22 ONE Changi Leaders and Enablers from 13 different organisations went on a learning trip to Tokyo in November 2016 and immersed themselves in *Omotenashi* – the spirit of Japanese hospitality. During the trip, delegates attended a Japanese culture and service master class and also had the opportunity to visit world-class organisations in different industries and airports. The trip offered delegates a chance to learn more about new service insights, and also created a platform for the ONE Changi stakeholders to bond, explore and collaborate on new opportunities.

RETAIL *REVOLUTION*



Matthew Fergusson-Stewart, Asia Pacific Brand Ambassador for Glenfiddich (extreme left) and Randall Tan, Brand Advocate for The Macallan (extreme right) offer whiskey sampling to visitors at the Whiskey Festival 2016, held at The Whiskey House.

In a dynamic airport retail landscape where consumer trends and expectations continually evolve, innovation and experience remain key pillars of Changi Airport's retail strategy, driving many of the airport's new developments and activations.

Along with its record passenger traffic during the year, Changi Airport's yearly concession sales grew 5.0% to hit another new high of S\$2.4 billion, cementing its position among the top three airports in the world for retail sales.

An elevated retail experience

Shoppers who travelled through Changi Airport in the year were surprised and delighted in more ways than one.

In July 2016, DFS and CAG celebrated the opening of the airport's second

Wines & Spirits duplex store at T2's Departure Transit Hall with the first ever Whiskey Festival. Sixteen whiskey brands brought the seven-week festival to life with guest appearances from brand ambassadors, special master classes and food pairing sessions, delighting travellers and whiskey lovers from all over the world. The store, which boasts seven branded boutiques and three unique in-store concepts – the Wine Reserve, the Cigar Room and The Whiskey House – offers over 900 products for complimentary tasting. It includes the largest assortment of single malt whiskeys offered by any travel retailer in the region.

The duplex store was just one of a repertoire of new and exciting launches in FY2016/17. To continually inject freshness on its commercial floor plate of 76,000 square metres,

Changi Airport introduced close to 40 new brands across its three terminals in both the public and transit areas.

Stepping up its luxury fashion game, the airport welcomed the contemporary The Fashion Gallery at T2's Departure Transit Hall, with its new store-in-store concept featuring more than 30 brands. They include many firsts and exclusives such as Alexander McQueen, Balenciaga and Kenzo. With a unique 30-metre digital façade at its store front, the high-tech boutique has certainly livened up Changi's shopping street at T2.

Seeing an increase in demand for delicatessen and souvenir food concepts, Changi also expanded its offerings in this category with the introduction of brands such as Taste Singapore and Asia Favourites.



Shoppers are spoilt for choice at the multi-label luxury store The Fashion Gallery.

Including the soon-to-be-opened T4, Changi Airport will have over 400 retail and service stores as well as 140 F&B outlets to cater to the needs of its international passengers.

A gastronomic journey

The dining scene at the airport also saw many tasteful injections from the best of Singapore and international gourmet names.

Kickstarting FY2016/17, the opening of Singapore's first Hello Kitty Orchid Garden Café in May 2016 drew hundreds of airport visitors to T3. Delighting diners with its lovely wholesome fare oozing the signature Hello Kitty flair, the restaurant is halal-certified, and open 24 hours.

In the transit areas, The Kitchen by Wolfgang Puck, Changi's first celebrity chef restaurant, presents travellers with an extensive menu of dishes curated by the Michelin-star chef, including some developed exclusively for Changi. New concepts such as the oriental LeNu Noodle Bar, the modern The World is Flat by Tanuki Raw and Teahouse by Soup Restaurant also arrived at Changi for the first time, offering even more options to foodies.

On top of new offerings, passengers will find an array of food concepts that has been carefully curated to suit varying dietary needs and preferences, from halal and

vegetarian options to kid-friendly meals. Time-starved travellers can also grab 15-minute quick meals from selected restaurants and eateries located in all three terminals.

Popping good times

FY2016/17 saw a record number of innovative pop-up activations launched at Changi Airport, where seven brands chose Changi as the launch pad to unveil their latest coveted products.

In December 2016, a unique Male Grooming Club, the brainchild of



Singapore's first Hello Kitty Orchid Garden Café is a must-visit for Hello Kitty fans and foodies alike.



Philips Shavers and L'Oréal Paris Men Expert, was unveiled at T3's Departure Transit Hall to the surprise of many male travellers, who were treated to complimentary pre-flight pampering such as a clean shave and a relaxing massage.

Changi also saw the first-in-the-world launches of products in its most popular categories of Cosmetics & Perfumes and Wines & Spirits, including Shiseido's Rouge Rouge collection and the Martell Cordon Bleu Extra. On top of supporting partners in boosting brand exposure and footprint beyond the traditional shop fronts, these experiential engagements served to enhance shoppers' journeys through Changi Airport into memorable ones of exploration and discovery.

Rewarding shoppers and diners

Changi Airport continued to take its two annual anchor retail promotions, *Be a Changi Millionaire* and the year-end festive celebrations, to new heights.

Into its seventh run last year, the 2016 edition of the Changi Millionaire campaign produced eight finalists from six countries for the Grand Draw event held before a live audience at T3 in January 2017. After one hour of heart-stopping action, Indonesian Ade Iskandar Roni was crowned an instant millionaire, netting him S\$1 million. All it took to land the lucky man his



Male travellers get pampered at the Male Grooming Club, an innovative pop-up barbershop at T3.



Jakarta-based Ade Iskandar Roni beat seven other finalists to emerge as the Grand Draw winner of the 2016 Be a Changi Millionaire shopping promotion.

million-dollar windfall was an adidas t-shirt that cost S\$51.40 – the lowest-priced purchase of the eight finalists, and also just a little more than the minimum spend of S\$50 required to participate in the Millionaire Draw!

Towards the end of 2016, Changi Airport was transformed into the lair for the popular pocket monsters that took the world by storm. The *Pokémon@Changi* year-end celebrations brought delight not

only to passengers and visitors, but aspiring Pokémon trainers from Singapore and overseas. The festive shopping promotion was launched with a song and dance item at the T3 Departure Hall featuring 10 adorable Pikachu, delighting fans who thronged the terminal. As with previous year-end celebrations, visitors and travellers could also bring home themed collectibles – this time up to nine Pokémon plush toys, of which five were made available for

pre-order purchase on iShopChangi, Changi Airport's online shopping portal. At the close of the promotion, more than 260,000 plush toys had been redeemed.

In addition to the two anchor campaigns, Changi also brought laughter to families and children during the June school holiday break when the fun-loving pals of the Hi-5 cast, from the popular Australian childrens programme came to visit as part of Changi's regular destination-themed events. Packed with exciting activities for young explorers, the month-long *G'Day Australia* event inspired travel and at the same time, reinforced Changi Airport as a destination for families. The *Changi Loves Kids* programme was also launched in the public areas over the Children's Day long weekend in October. The slew of rewarding initiatives rolled out ranged from a new reading corner and workshops organised for both children and parents, to free meals, goodie packs and other sweet treats for the little ones.

Changi also ramped up its landside retail offerings with first-in-class entertainment and exciting new experiences. To kickstart its *Take the World with You* campaign, a nanoblock pop-up museum made its global debut in T3 in March 2017, showcasing close to 250 intricate designs across six themed experiential zones. An estimated 100,000 of these micro-sized building blocks were used to achieve this massive scale. Throughout the purchase-with-purchase promotion that took place from March to May 2017, over 26,000 Changi-exclusive nanoblock sets in six designs featuring world famous landmarks such as the Colosseum and the Sydney Harbour Bridge were redeemed.

To further augment the core value proposition of shopping at Changi, the well-loved 2xGST shopping campaign that presents airport shoppers great savings also returned with a twist. Executed in a new flash sale format in two bursts last year, the tactical promotion attracted overwhelming response and increased footfall to the airport, which contributed to a significant spike in retail sales.



The cast of Hi-5 delighted families with a fun and energetic performance as part of the G'Day Australia event held during the June school holidays.

To increase mindshare of Changi's commercial offerings among its key country markets, CAG also ran targeted country marketing campaigns. For the year, travellers from China, who made up Changi Airport's third largest country market in terms of passenger traffic, remained the top spenders at Changi. To continue driving traffic and encouraging spending, key shopping promotions were rolled out through the popular WeChat and Weibo channels during China's Golden Week and Chinese New Year festivals. Changi also partnered Chinese airlines and Alipay

to further engage Chinese passengers on their shopping and dining journey through the airport.

Going digital

In this day and age of digitalisation with its huge impact on retail, it is vital for Changi to adapt to the emerging trends and evolving expectations of today's well-connected travellers to stay on top of the business. With service at the core of its DNA, Changi Airport has embarked on several key digital developments in recent years to better engage and serve its customers.

On the e-commerce front, iShopChangi, Changi's online shopping portal, continues to gain traction with customers. In the past year, iShopChangi expanded its range by 60%, introducing four new product categories including the curated LoveSG collection that features uniquely Singaporean souvenirs which make great gifting options. Today, iShopChangi offers over 8,000 products across 500 brands. Online sales and order volumes rose by over 70% during FY2016/17.

Both iShopChangi and Changi Rewards, Changi's loyalty programme, were also integrated into the iChangi mobile app, making it a one-stop portal which increases convenience and enhances customer experience.

With this, the Changi Rewards programme has also gone digital. Members can now earn and redeem points through their e-Cards. They can also redeem Changi Rewards e-vouchers through the app and store them for their next purchase at Changi.

Shoppers looking for the perfect gift need not look further with the introduction of the Changi Gift Card. Launched in November 2016, this is the first time a stored value card has been made available for sale to the public at Changi Airport. Available in three uniquely Changi designs, the gift card can be loaded with any value between S\$20 and S\$990, in denominations of S\$10.



Presenting the collectible Changi Gift Card that features the iconic Solari Board at the T2 Departure Hall. The gift card comes in two other unique designs.



OPTIMISING SPACE FOR *COMMERCIAL* *GROWTH*

CAG manages the tenancies of over 1,600 rentable premises within Changi Airport, both in the passenger terminal buildings and the Changi Airfreight Centre. The upcoming T4 has over 8,000 square metres of leasable space, consisting of over 100 units of offices, airport lounges and stores. To prepare the terminal for operational readiness, CAG worked closely with airlines and other aviation partners in the allocation of premises to ensure that their space needs are fully met.

Within the terminals, CAG continued to pay close attention to refining the various passenger touch points, such as airline lounges. The DBS Asia Treasures Lounge in T2 was given a facelift to commemorate the lounge's 10th anniversary at Changi Airport. Spanning 480 square metres, the

revamped lounge officially reopened in December 2016, boasting a classy yet modern look and feel.

Outside of Changi's main terminal buildings, CAG manages more than 60 long-term land leases to private developers such as maintenance, repair and operations companies, ground handlers, cargo and logistics companies as well as commercial entities.

Over the past two years, CAG supported Crowne Plaza Changi Airport's expansion plans through the lease of a land plot adjacent to the hotel for an extension project. Adopting enhanced technology, the hotel extension works were completed with over 15% time savings and 40% manpower savings. There was

also minimal disturbance caused to hotel guests. The 10-storey extension opened in August 2016, adding another 240 rooms catered for business travellers. The new rooms will overlook Jewel when the latter is completed in 2019. The extension successfully increased the hotel's capacity by 75%, bringing the total number of rooms to over 550.

For its relentless pursuit to offer the best to its guests, Crowne Plaza Changi Airport won the Skytrax World's Best Airport Hotel award for the third consecutive year in 2017. The timely addition of the hotel extension to the slew of airport offerings supports the growth of Changi Airport and meets the demand from the rising number of passengers, reinforcing Changi's position as a premier air hub.



*Crowne Plaza Changi Airport's 10-storey extension increased the hotel's capacity by 75%.
(Photo: OUE)*



ENHANCING AIRSIDE OPERATIONS

Although away from travellers' eyes, the airside is where the pulse of the airport is. It is where aircraft take off and touch down, where cargo pass through daily, and where airport workers work round the clock to ensure that all safety conditions are met and airport operations run as scheduled.

Airfield optimisation

With air traffic volume at Changi Airport increasing steadily over the years and the airport operating on a two-runway system, it is imperative for it to optimise runway operations to reduce the impact of airfield congestion, which can result in flight delays. Preparations hence began for a strategic solution – the Airport Collaborative Decision Making (ACDM) framework in September 2013.

Together with the Civil Aviation Authority of Singapore and supported by hub carriers SIA Group and groundhandlers SATS and dnata, CAG led a critical process change on the ground – resulting in airlines and groundhandlers submitting their best prediction of when departing flights would be ready for pushback. With the sharing of this information, the departure sequence of flights can be optimised and the time aircraft spent queuing to depart is minimised.

The ACDM, among the first in Asia, was rolled out in October 2016. Since then, the average departure on-time performance of flights at Changi has improved, with the average taxi time during the morning peak period reduced by 1.5 minutes per flight. This represents over 5,000 kilogrammes of fuel saved a day, or S\$1.3 million a year for airlines. Close to 16,000 kilogrammes of carbon dioxide emissions are also cut per day.

Furthermore, for the year 2016, Changi's overall flight punctuality was ranked second in Asia and eighth in the world among international airports with more than 20 million departing

seats per annum by OAG Punctuality League, an international annual ranking of on-time performance for airlines and airports.

New equipment for fire safety

New firefighting and fire protection equipment were procured to enhance the operational readiness of Changi Airport's Airport Emergency Service. The new equipment included two off-road water wading vehicles, and a mobile lighting unit for Seletar Airport. The former allows response to aircraft emergencies in difficult terrains such as low level water bodies and muddy grounds. The latter provides strong lighting capabilities of up to 330,000 lumens for rescue work during night time operations. It also serves as an equipment carrier containing water rescue equipment, as well as a Passenger Emergency Management System to assist passengers in disembarkation from a plane disabled on the runway. Other equipment procured to boost Changi's fire coverage capabilities included airport foam tenders, emergency air stairs,

and a High Reach Extendable Turret, which is capable of piercing through aircraft skin to enable fire fighting inside an aircraft using foam or water. This would extend the survivable time of aircraft occupants in an aircraft fire.

To meet future airfield capacity demand, the Changi Fire Sub-station 3 was relocated to a new site – the West Satellite Fire Station. The new station was built with the capacity to scale up resources and manpower to meet the challenges of a future expanded aerodrome. Construction and fitting out of the new station was completed in March 2017.

Expanded infrastructure

In the course of the year, Changi Airport added five new aircraft stands, three in the South Apron and two in the East Cargo Apron. Another four aircraft stands at T1 and T2 were converted into Multiple Aircraft Receiving Stands, where they can accommodate either one wide body aircraft or two narrow body ones.



Trapezoidal grooving was added to the newly resurfaced Runway 1 to enhance aircraft tyre grip and lower the risk of skidding by planes.





The inaugural Safe Tractor Driving Competition aims to inculcate safe driving practices to Changi Airport's airside drivers in a fun and engaging way.

Of existing aircraft stands, seven due for replacement were demolished and reconstructed using the recycled concrete aggregates (RCA) that were obtained during the demolition of the aircraft parking stand pavement. Completed in August 2016, six of the new stands were constructed with 40% RCA while the remaining was constructed with 50% RCA. The adoption of recycling construction waste enhances Changi Airport's commitment to environmental responsibility, in addition to providing substantial cost savings in the long-term.

Elsewhere in the airfield, the resurfacing of Changi's two runways was completed during the year. Of the two, Runway 1 sports a new trapezoidal grooving – the first of its kind outside the United States – to improve water dispersion during wet weather. This enhances aircraft tyre grip on the runway, lowering the risk of skidding by planes.

On a larger scale, the construction of Changi Airport's new T4, including its

new Ramp Tower, was completed in December 2016. Just before that, work started on the new Seletar Airport Terminal Building in October.

Airport safety

For the 35th consecutive year, the Changi aerodrome received a deficiency-free rating from the International Federation of Air Line Pilots' Associations (IFALPA).

To inculcate a stronger safety culture, CAG launched the Airport Safety Awards in August 2016. A new long-term initiative targeted at the airport communities across both Changi and Seletar Airports, it recognises safety efforts of individuals as well as teams involved in airport operations and developmental projects at both the landside and airside. During the year, 74 individual and team recipients from 22 airport agencies were recognised at three award ceremonies.

In a further bid to promote safety in Changi's airside, a first-of-its-kind

safety initiative in the form of a Safe Tractor Driving Competition was held in October 2016. The three-day circuit-based competition provided a novel and highly engaging platform to drive home key safe driving practices to the over 150 tractor drivers who participated in the competition.

On a day-to-day basis, to encourage active hazard reporting by the airport community, CAG introduced an iFeedback module in its operations app for the airport service workforce. Enabled for reporting through mobile phones, iFeedback has enhanced Changi Airport's Safety Management System by providing all members of the airport community with an easy means to highlight safety hazards for immediate action. The module has been very well received, with a 130% increase in safety feedback received from airport partners such as ground handling companies, airlines and contractors. This has helped to build a healthy safety reporting culture among airport staff.

Emergency preparedness and security

During the year, CAG also continued to enhance its emergency preparedness and rescue capabilities through three emergency drills – two simulated aircraft crashes on land and a chemical, biological and radiological attack in the transit area of Changi Airport.

The three exercises held at Seletar and Changi Airports were full exercises involving more than 400 operational personnel, including participants from partner agencies such as the Ministry of Health, the Singapore Police Force, the Singapore Civil Defence Force, airlines and ground handling agents. The exercises allowed CAG to practise and refine on-ground coordination and response as well as recovery procedures with partner agencies, in the event of an emergency.

In tandem with CAG's constant review to enhance the security screening process at Changi, live trials using Computed-Tomography technology were conducted for pre-board screening from April to July 2016 at T3. This advanced X-ray imaging technology improves on the limitations of conventional X-ray screening and is capable of detecting explosives. Identified for use in T4, this technology allows for complex electronics, such as laptops, to be kept in bags during the screening process. This translates into more convenience to passengers, as well as a higher throughput at pre-board screening at T4, which operates on a centralised screening model. Changi Airport is one of the first few airports in the world to have a first-hand trial of this new technology.

Boosting productivity

Taken together, savings amounting to some S\$4.1 million were reaped when CAG rolled out new initiatives with contractor partners to arrest cost escalation in the area of airside grass maintenance. The initiatives included the introduction of a new grass-cutting machine which can trim and collect the cut grass at the same time, halving the manpower required for this task. Another initiative was the re-turfing of pockets of plant areas within the airside into pavements, cutting down manpower required for maintenance.



Codenamed 'Exercise Bobcat', the land rescue exercise allows Changi Airport and its partners to hone their emergency preparedness systems and procedures.



Delta Café located at the apron area at T2 brings greater convenience to the airside community with its hot meals and snacks.

With staff being an important asset to Changi Airport, close attention was also paid to efforts to enhance the well-being of airside staff. Delta Café was opened in October 2016 in the apron area at T2 to bring greater convenience to the airside community. As staff no longer have to spend time at security checkpoints to get to the airport's public areas for their meals, the time saved translates into a more relaxed meal time for airside staff.

Besides providing additional food options, the café also sports a cheery and comfortable interior, and comes with free Wi-fi and TV for staff's enjoyment. The café has won praises from many airside staff as a chill-out corner. Moving forward, CAG is looking into adding more of such similar amenities to other parts of Changi Airport's airside, to enhance the working environment.

FUTURE-READY *CHANGI*



Airport staff and workers gather at the new terminal's façade to mark the completion of construction in December 2016.

Terminal 4

Changi Airport's new T4 reached an important milestone with the completion of the 225,000-square-metre passenger terminal building in December 2016. Construction was completed in under three years and involved over 4,000 workers at the peak. A clean safety record of over 26.1 million accident-free man hours was achieved by the main contractor, Takenaka Corporation.

T4's construction also involved the development of two multi-storey car parks providing 1,700 parking spaces, a two-storey taxi holding area, as well as three vehicular and pedestrian bridges spanning across Airport Boulevard to create new links to T4. Across Airport Boulevard, the south-end reservoir was also backfilled to build a new apron

with 26 new remote parking stands. A 68-metre-high ramp control tower has also been constructed to enhance air traffic controllers' management of aircraft movements at the apron adjacent to the terminal and at the south apron.

Inside T4, special attention was paid to the interior furnishing to evoke a warm and cosy boutique-design feel. Upon completion, the next phase for Operational Readiness and Airport Transfer trials involved the installation and intensive testing of key airport systems and processes to prepare the terminal for operational opening at the end of 2017. These include new Fast and Seamless Travel (FAST) self-service and automated options covering check-in, bag drop, immigration clearance and boarding. T4 will be

Changi's first terminal to introduce end-to-end self-service initiatives by automating processes at the departure touch points, leveraging cutting-edge technologies to enhance passenger experience and to improve manpower productivity.

A key feature of FAST is passenger identity validation using biometrics. The use of facial recognition technology allows for full automation, eliminating the need for manual verification and checks by airline and ground handling staff and security personnel. Efforts were focused on integrating the complex airport and airlines systems, conducting process trials involving staff and public volunteers, as well as the airport and commercial partners operating at T4. As part of Changi Airport's internal outreach and community engagement

efforts, a roadshow was organised to offer the airport community a sneak peek of what T4 has to offer. In addition, Changi started a T4 Welcome Workshop specially designed for all T4 staff, which ran twice weekly, to familiarise staff with the new terminal's environment and work processes.

A unique feature in T4 is the eclectically curated art programme with the aim to inspire and entertain passengers and visitors. Working with local and international sculptors, three unique art works that embody the spirit of dynamism, originality and connection in aviation were installed in the terminal's departure and arrival halls. The centerpiece of T4 is Petalclouds, a kinetic art sculpture. Made up of six clouds suspended across 200 metres of the Central Galleria space, the majestic Petalclouds can be appreciated from multiple viewpoints in the terminal.

On the commercial front, tenancy for retail and F&B was fully secured for the more than 80 outlets over 16,000 square metres. T4 attracted many international and local operators, with over a quarter of the brands being new to Changi Airport. For the first time in Changi, two core duty-free categories – Wines & Spirits and Cosmetics & Perfumes by DFS and The Shilla Duty Free respectively – will operate in an integrated duty-free zone in the transit area. Passengers can shop and combine their duty-free purchases in a single check-out transaction, integrating their shopping experience while reaping greater convenience and time savings.

The year also saw two more airlines – Cebu Pacific and Spring Airlines – joining AirAsia Group, Cathay Pacific, Korean Air and Vietnam Airlines, to operate at T4. With a good mix of both full service and low-cost carriers, these airlines will collectively link T4 to over 20 destinations in the region, serving about eight million passengers movements per annum.

Jewel Changi Airport

Jewel is an architecturally distinct development that is located in the heart of the airport. When Jewel opens in early 2019, it will be an iconic lifestyle destination with an exciting array of leisure and retail options, integrated with aviation facilities.

Jewel's development will significantly augment Changi Airport's status as a leading air hub, drawing international travellers to Changi Airport and Singapore.

In the past year, the construction of Jewel has seen much progress. Piling and excavation, structural works for all five basement levels and superstructure works for all five above-ground levels have been completed. Major works currently underway include the installation of Jewel's glass and steel façade, which commenced in late 2016. Jewel's overall façade is intricately made up of more than 9,000 pieces of specially manufactured glass, close to 18,000 pieces of steel elements and over 6,000 steel nodes.

Jewel's roof façade is a contiguous grid shell that weighs approximately 4,200 tonnes, equivalent to seven A380 planes. The roof spans 24,900 square metres and is supported by a ring of 14 tree-like columns and a ring beam at the edge of the roof. This allows the five-storey Forest Valley, a lush garden filled with the largest indoor collection of plants in Singapore, and the Canopy Park, a 14,000-square-metre park on the building's top floor to be column-free, offering visitors a truly elevated and memorable experience.

Work on the link bridges connecting Jewel to T2 and T3 have also begun,

starting with the hoisting and erection of column foundations.

Progress on Jewel's Forest Valley is also underway. Around 3,000 trees and palms have been successfully procured from countries such as Australia, Brazil, China, Malaysia, Thailand and the USA, for pre-growing at an offsite nursery. Embarking on the procurement and pre-growing in advance is critical to give the trees and palms enough time to acclimatise and be nurtured to the desired quality before transplantation into Jewel. Planting works are scheduled to begin in early 2018 once the façade of Jewel is completed.

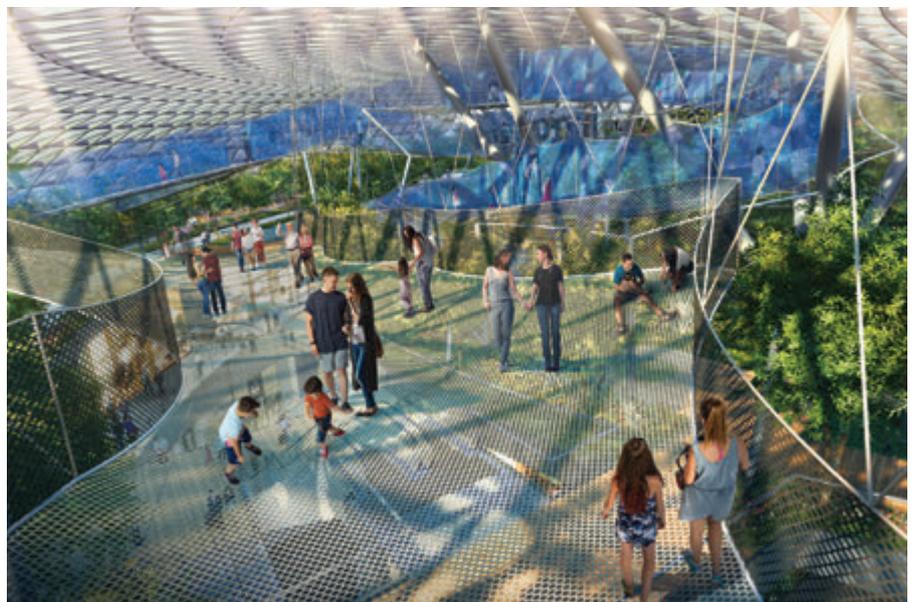
Terminal 1 Expansion

T1 is being expanded to increase its handling capacity in the Departure and Arrival Halls. Phase 1 was completed in October 2016 when four new check-in rows became operational after being fitted with new check-in counters, baggage conveyors and carpets. In the Arrival Hall, revamped baggage claim belts which sport sleek interior design touches came into operation in April 2016 and January 2017 respectively.

As part of the installation of the new automated baggage handling system, the Baggage Sorting Area saw improvements made to its lighting, spot cooling and signage scheme. In November 2016, the Inter-Terminal



Jewel Changi Airport will feature world-class attractions and the world's tallest indoor waterfall.





To open in end-2018, the new Seletar Airport terminal will house enhanced facilities and amenities such as a dedicated driveway and check-in area for business aviation passengers.

Transfer Baggage System was operationalised, followed by the first Early Bag Storage system for T1 in February 2017.

Changi East

Changi's longer-term and larger-scale infrastructure project, Changi East, is progressing well. The 1,080-hectare site involves the development of the future T5, a three-runway system as well as aviation facilities, tunnel systems and other related infrastructure and transport links.

Three-runway system well underway

To support the operations of Changi's existing three terminals, T4 and the future T5, a third runway used by the military will be converted for joint civil-military use by September 2020. This runway is being extended to handle larger civilian aircraft and is on track for completion. Other projects under the three-runway programme include the upgrading of Runway 2 and the building of new supporting taxiways to connect the third runway to the rest of Changi Airport. The project is scheduled for completion around early-2020s.

Zero disruption to aerodrome operations

Changi East also achieved good progress in site safety with on-site implementation of a safety supervision framework to prevent disruptions to aerodrome operations. With improved control measures

put in place, the Changi East project achieved a clean safety record. Changi East has also expanded and relocated its Command Centre to allow for simultaneous monitoring of several works packages with real-time safety supervision and incident response.

T5 development and design

To deepen stakeholder engagement, CAG organised regular forums with stakeholders to resolve complex issues and secure early endorsements for T5, from design decisions to the terminal's security regime.

In preparation for the appointment of the Master Building Consultant and Master Civil Consultant, CAG organised extensive marketing campaigns leading up to the tenders for the design and civil consultants in January and March 2017 respectively. Three consortia have been shortlisted to participate in the Master Building Consultant tender following an open pre-qualification exercise which closed in September 2016.

Separately, CAG also shortlisted four consortia to provide Master Civil Consultancy services, for the design of infrastructure at the landside and airside areas outside of the T5 buildings. These include taxiways, aircraft parking stands, roadways and drainage systems, as well as the connections for utilities such as power, water, gas and telecommunications to the T5 buildings.

Seletar Airport

A groundbreaking ceremony for a new Seletar Airport Terminal Building was held on 20 October 2016, marking a significant milestone in the progress of infrastructure development for Seletar Airport.

The new two-storey terminal which will house improved facilities and amenities, is designed to handle around 700,000 passenger movements a year. As part of the larger Seletar Aerospace Park, it will support the growth of air traffic and general aviation activities, and also enhance Seletar Airport's offering as a private and efficient business aviation gateway to Singapore.

When the new terminal opens in end-2018, operations at the current terminal on the western side will cease. To ensure optimisation of resources within the entire aviation system in Singapore, turboprop aircraft operations will also be shifted from Changi Airport to Seletar Airport.

To enhance runway safety at Seletar Airport, a new Runway Incurion Detection System will be installed at critical entry points to prevent unauthorised entry of aircraft and vehicles into the restricted zone. The system is designed to automatically trigger an alarm at the Seletar Control Tower should there be any incurion incident. Works are ongoing, and the project will complete within FY2017/18.

EXPANDING INTERNATIONAL *PRESENCE*



Tom Jobim International Airport decked out during the 2016 Olympic Games.

INTERNATIONAL PRESENCE

Changi Airports International (CAI), a wholly-owned subsidiary of CAG, continues to develop its investments, and share its experience in operations and management with airports around the world. Its portfolio includes assets in Brazil, India and Russia, airport management projects in the Middle East and consultancy projects in China, Southeast Asia, Europe and beyond.

Brazil

Tom Jobim International Airport in Rio de Janeiro delivered a robust performance, with significant improvement in revenue during the year. CAI holds a 20.4% stake in the concession company.

To prepare Tom Jobim as the host airport of the 2016 Olympic Games, CAI transformed the infrastructure in record time. A new 100,000-square-metre concourse with 26 new gates served by aerobridges was inaugurated in May, increasing the airport capacity by close

to 90% from 20 million passengers per annum (mppa) to 37.5 mppa. The commercial space was tripled to offer passengers more F&B choices, and all facilities were refreshed for an enhanced customer experience.

Tom Jobim International Airport successfully hosted the 2016 Olympic Games, handling an unprecedented number of travellers during that period. The airport also registered record sales in its stores and restaurants. More than a tonne of Brazilian coffee and a tonne of chocolates were sold and the sale of Havaianas sandals jumped 260%. Its VIP lounges received a record number of 4,000 passengers during the Games period.

The airport was abuzz with live Samba performances, food carts serving local favourites, and Olympic-themed events that left travellers with fond memories of the airport and the city. Travellers and media sang praises of the efficient operations and festivities, describing the airport as *seamless, magical and unforgettable*.

In the year, the airport operator, RIOgaleão, achieved ISO 9001 international certification for quality management. The airport also became the only one in Latin America certified by the International Air Transport Association to handle pharmaceutical products. It also received honourable mention at the Airports Going Green International Conference.

India

Durgapur Aerotropolis is India's first private operational greenfield airport city. Located in West Bengal, it is developed by Bengal Aerotropolis Projects Limited in which CAI has a 36.7% stake.

Indian carrier Zoom Air recently launched a daily Delhi-Kolkata service via Durgapur from the city's Kazi Nazrul Islam Airport. Township development is making steady progress. Warehouse operator Spectrum Logistics and building materials manufacturer Ardex Endura started operations during the year. Two schools – India International School and Narayana School – opened enrolment and started their new terms in June 2017.

Russia

Krasnodar

CAI holds a 30% stake in a joint venture which owns four airports in Russia's Krasnodar region – Anapa, Gelendzhik, Krasnodar and Sochi – and their management company, Basel Aero.

Through CAI's close collaboration with Basel Aero, the airports witnessed steady passenger traffic growth, reaching the 10-million mark in FY2016/17. Traffic at Sochi in particular, rose 28.8% year-on-year. In 2016, the four airports handled approximately 10% of all passenger traffic and 3.5% of air cargo traffic in Russia.

Service quality remains the primary focus for all four airports. Operational improvements, such as new self

check-in counters and wayfinding systems, were put in place to uplift passenger experience. F&B options were also expanded to offer passengers with more choices.

The new 11,800-square-metre passenger terminal at Anapa International Airport is near completion. Once operational, the airport's total capacity will increase threefold to 1,100 passengers per hour. Plans to construct new terminal buildings at Gelendzhik and Krasnodar airports are on track.

For the third consecutive year, all four airports clinched Best Airport top spots in their respective traffic categories at Russia's National Aviation Infrastructure Show 2017. Sochi also received accolades at the Airports Council International's Airport Service Quality Awards 2016 for the second year running. It was named Best Airport in three categories – by region (Europe, over 2 mppa), and by size (2-5 mppa), and by size and region (Europe, 2-5 mppa).

Vladivostok

In February 2017, CAI and its partners acquired Vladivostok International Airport in Russia's Far East. CAI holds a one-third stake in the joint venture.

Vladivostok is a port city at the heart of Russia's maritime province. Its strategic location, at the cross-roads of Asia Pacific and Russia's Far East, makes it the ideal gateway between the two regions.

Plans are underway to strengthen the airport's air connectivity and to improve passenger experience. Leveraging its Open Skies status and traffic growth potential, the airport's current network of 40 destinations will be expanded to more Russian cities and international destinations in Japan, China, Vietnam and South Korea. The consortium's target is to achieve the airport's potential of 5 mppa in the long term.

China

CAI and Chongqing Airport Group signed a commercial joint venture agreement in January 2017 to boost the non-aeronautical businesses at Chongqing Jiangbei International Airport. The agreement is part of the Chongqing Connectivity Initiative between Singapore and Chongqing. CAI holds a 49% stake in the joint venture.

The airport, strategically located along the Silk Road Economic Belt in Western China, is a major aviation hub for airlines.

The collaboration will focus on the enhancement of the airport's retail landscape by introducing experiential concepts as well as refreshing product categories and brands to meet the shopping and dining preferences of passengers, while creating a sense of place. In the long run, the joint venture hopes to create a pro-business environment for airport partners to continue attracting best-in-class tenants.

As a leading airport operator, CAI continues to share its expertise and best practices through a series of training programmes specially designed for Chinese airports and airlines, in conjunction with the China-Singapore Airport Management Academy and Singapore Aviation Academy.

Saudi Arabia

Dammam

CAI is in its eighth year of partnership with the General Authority of Civil Aviation in Saudi Arabia to manage and operate King Fahd International Airport (KFIA) in Dammam. The airport recently launched the Kingdom's very first City Terminal, offering the convenience of checking in at the city centre, 24 hours ahead of flight time.

The focus on offering passengers first-rate service forms the cornerstone of KFIA's transformation. The airport injected new capacity, revamped processes, and leveraged technology to enhance airport operations. This included almost doubling the number of immigration counters, installing new e-gates and dedicated lanes for priority boarding, and introducing a second ground handler to promote competition for service improvement. It is also planning to replace all passenger loading bridges in 18 months, and increasing the number of aircraft parking bays by 25%.

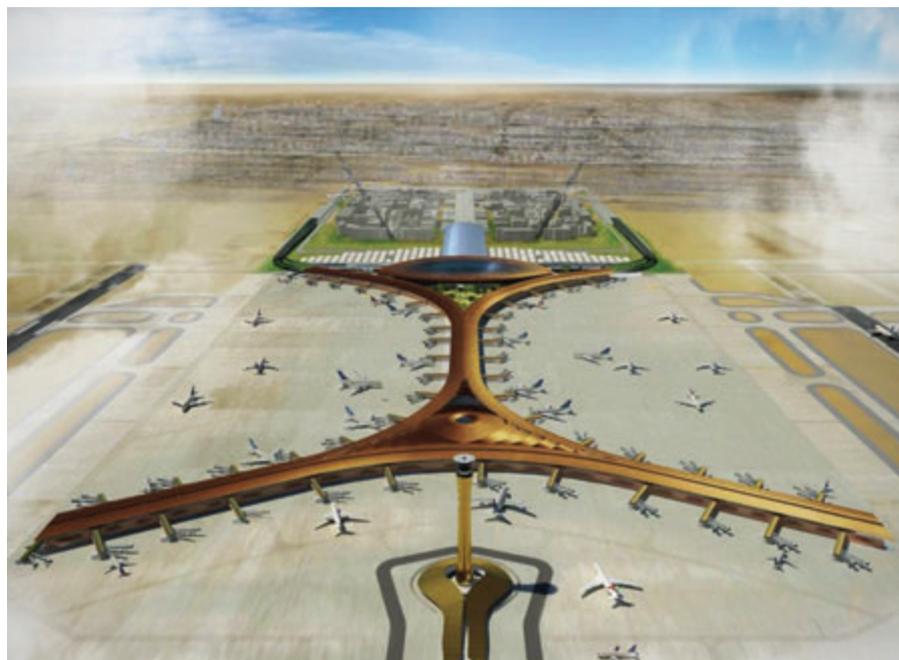
Having established a successful airline marketing and passenger development programme, air traffic growth has remained strong and continued to surpass that of its competitor. Non-aeronautical revenue grew 8% year-on-year, attributed to the revamped retail and F&B offerings.

Jeddah

CAI was named the winning bidder for King Abdulaziz International Airport (KAIA) in Jeddah. Under the 20-year concession, the group will manage and operate the new KAIA when it is completed in 2018. KAIA is the busiest airport in Saudi Arabia and is the gateway to Mecca.



Artist impression showing aerial view of King Abdulaziz International Airport.



AN EMPLOYER OF CHOICE



CAG's People Team receives the Employer of Choice award at the HRM Awards 2017 for building a strong and attractive employer brand.

AN EMPLOYER OF CHOICE

In February 2017, CAG was named by Hays, a specialist recruitment firm, as the Employer of Choice at the HRM Awards 2017. This reaffirmed the company's efforts to build a strong and attractive employer brand. The award was based on a range of criteria, including the senior management's commitment to human capital, staff retention rates and talent management initiatives, as well as employee welfare initiatives like work-life balance, corporate culture and workplace harmony.

To secure top young talent, CAG continued to engage potential

scholars to join its Bonded Scholarship Programme. In the same year, the CAG scholarship was ranked the most attractive bonded scholarship in the BrightSparks Scholarship and Education Survey - an annual study on scholarships, higher education and career preferences among potential scholarship applicants in Singapore.

A new People Team

United by a common mission to serve CAG employees and shape the culture of the organisation, a new People Team was formed on 1 April 2016, by merging the former Corporate Development and International Relations division with the Human Resource division.

The new team structure comprises five key sections - People Services, People Rewards and Systems, People Development, People Experience, and Organisation Transformation. The People Team aims to fulfill the "3 Rights" philosophy - the Right People with the Right Capabilities, Right Culture, and Right System and Processes - to strengthen its people services and build towards its Terminal H (Heartware) vision, so that CAG continues to be a choice company for its existing and potential employees.

A refreshed office environment

Enhancing Terminal H has always been one of CAG's key areas of focus in its employee engagement journey. One major milestone in FY2016/17 was the completion of the workplace transformation initiative for CAG's corporate offices. This initiative aimed to transform the way the organisation works as one CAG, and to achieve the concept of 'Home Away From Home'.

Through a phased renovation process, about 900 employees were moved into their new 'home' at T2, with a floor area equivalent to the size of 88 five-room HDB flats. Through careful space planning, the workplace capacity increased by 48%, and the number of meeting rooms and collaborative spaces was tripled. The new spaces and the closer proximity of work desks



Natural lighting and a cheerful ambience transform the CAG pantries into spaces for both work and play.



helped to promote a culture change by facilitating conducive opportunities for quick discussions and group work, thereby improving interaction and communication among staff.

In the transformation process, design principles that were adopted for Changi's passenger terminals, such as abundant greenery and the introduction of natural daylight, were integrated into CAG's workplace design. These efforts aim to recreate the CAG signature, build a sense of home, and realise the same ambience Changi delivers to its passengers in the new office environment.

Together with the workplace transformation initiative, CAG also improved its office mobility to enable its employees to work anywhere and on-the-go. The People Team worked with the Corporate IT division to introduce various systems, such as 'Quick Drop' - a convenient way to transfer files and information without having to use thumb drives - and 'Follow-Me Printing', whereby employees can print their documents from any printer in the office with just a tap of their staff pass. In this ever-changing digital age, mobile mail has also been enabled for employees to access their email and work materials more conveniently on their smart phones.

After staff were comfortably settled in their 'homes', a survey conducted returned highly encouraging and positive feedback from employees. A large majority of respondents expressed that they were proud of the new workplace and felt that the workplace enhancements provided more opportunities for effective collaboration and bonding.

Enhancing employee engagement

During the year, CAG also ramped up on various initiatives to enhance the sense of community and engagement among its employees.

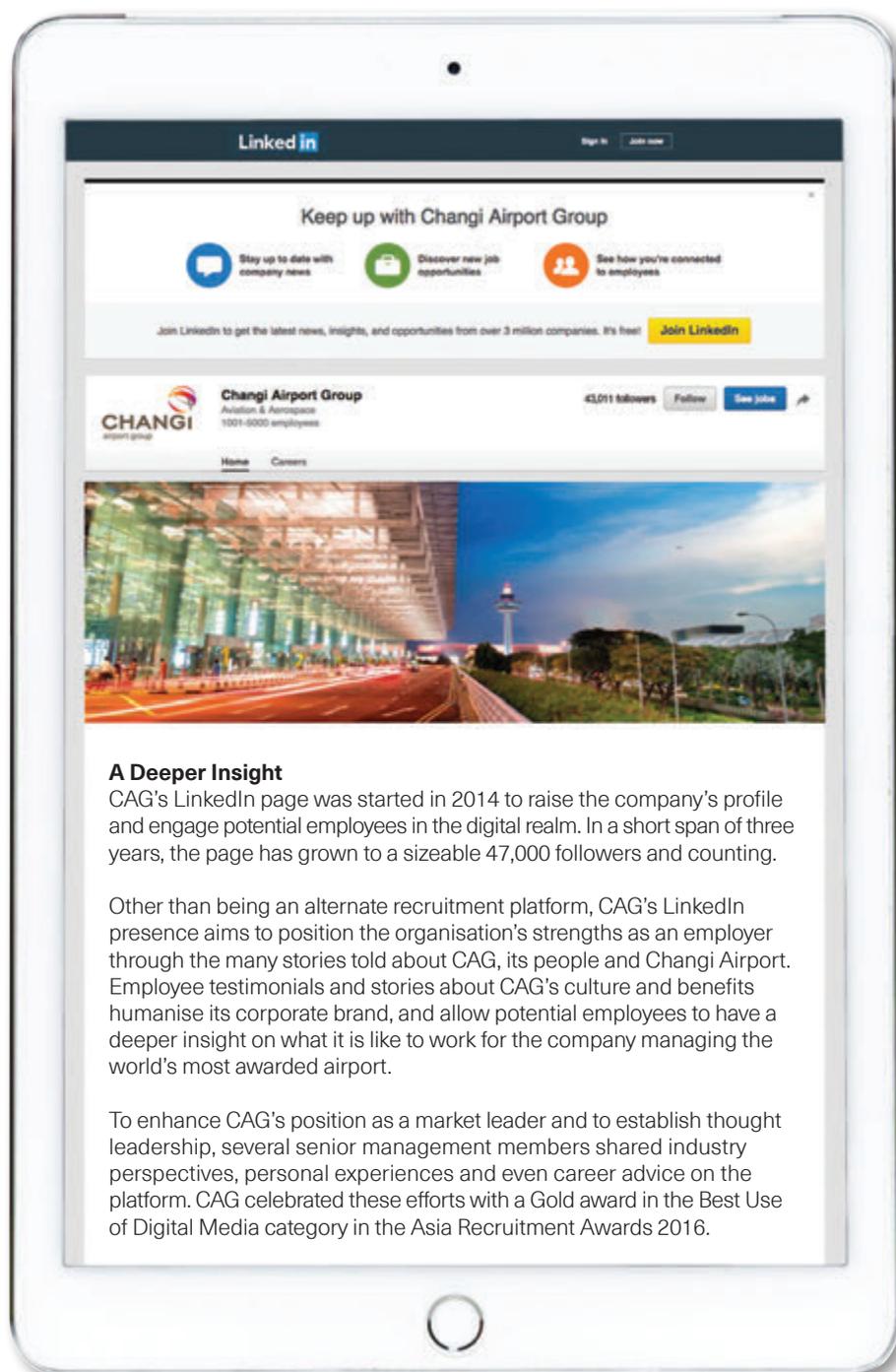
For example, the In.Touch mobile app, a sharing platform created for staff, featured a wider variety of content. This was done through the sharing of news and information about CAG or the airport, such as coverage of airport events like new airline routes and appreciation awards. Other updates served to provide more insights on

the work of Changi Airport staff, such as interviews with members of the airport community and introductions to lesser-known aspects of CAG and Changi's operations, like a guide to runway signage.

CAG's senior management team has also been very participative in such sharing, helping them further connect with staff and vice versa. For instance, the news of Changi Airport's 2017 Skytrax win was broken to CAG staff by CEO Mr Lee Seow Hiang on In.Touch, 'live' from the awards ceremony in Amsterdam.

Since its launch in August 2015, the app has gained good traction with CAG staff. More than 90% of them have downloaded the In.Touch app.

To enhance staff well-being and cultivate esprit de corps, CAG introduced Fun Fridays, a bi-monthly themed event where staff take a few moments off work to come together and enjoy each other's company through activities and refreshments. To promote healthy eating, physical fitness and mental well-being, the Healthy Habits initiative organised for staff nutrition talks, health awareness roadshows and workshops.



A Deeper Insight

CAG's LinkedIn page was started in 2014 to raise the company's profile and engage potential employees in the digital realm. In a short span of three years, the page has grown to a sizeable 47,000 followers and counting.

Other than being an alternate recruitment platform, CAG's LinkedIn presence aims to position the organisation's strengths as an employer through the many stories told about CAG, its people and Changi Airport. Employee testimonials and stories about CAG's culture and benefits humanise its corporate brand, and allow potential employees to have a deeper insight on what it is like to work for the company managing the world's most awarded airport.

To enhance CAG's position as a market leader and to establish thought leadership, several senior management members shared industry perspectives, personal experiences and even career advice on the platform. CAG celebrated these efforts with a Gold award in the Best Use of Digital Media category in the Asia Recruitment Awards 2016.

GIVING BACK

Since its inception in 2012, Changi Foundation – CAG’s philanthropic arm – has committed to making a difference to the lives of disadvantaged youths. Through the strong partnership with its main beneficiary, NorthLight School (NLS), and by supporting community programmes and providing education awards for less privileged students in tertiary institutions, Changi Foundation aims to develop these youths to their fullest potential and to prepare them for future employment. Believing in giving back to society, Changi Foundation is dedicated to helping disadvantaged youths become positive future contributors to the society.

Through core programmes such as the *Youth Passport Programme*, *Interview Skills* and *Be a Service Star*, students are given opportunities to learn about Changi Airport, pick-up valuable career skills, and check out possible jobs that they could consider in the future.

Other programmes such as *Numeracy Coaching* and *Reading* continue to support students in their academic development. At the weekly sessions, CAG staff volunteers tutor the students who are weaker in mathematics and reading. This not only helps the students to improve academically, it also allows volunteers to share positive values such as discipline and perseverance.

Meanwhile, another mainstay - the *Saturday Night Lights* programme - saw a new development in September 2016 when it welcomed more than 20 new students from Assumption Pathway School (APS). Sponsored by Changi Foundation, the APS students have since been training together with their peers every Saturday night. This programme allows the students to develop their football skills as well as character through structured football training sessions and friendly matches. CAG staff volunteers, in their interactions with the students, help to create a stable and encouraging community environment for the



Swensen's branch manager mentoring an NSL student during a five-day job attachment.



Tired but fulfilled CAG volunteers after a rewarding friendly football match on a Saturday evening.

students to learn and grow outside an academic setting.

As a complement to the vocational training provided by NLS, the *Job Attachment Programme* developed for Year 3 NLS students saw the highest participation rate from 13 airport

partners and five CAG divisions during the year, up from four and two respectively when the programme was launched two years ago. Close to 60 students were exposed to working life at the airport and had access to a wealth of experience shared by their mentors.

The programme continued to garner positive reviews from partners who were impressed by the students' positive attitude and keenness to learn. At the end of the five-day programme, it was evident that the students had grown in confidence, buoyed by the supportive work environment that they were immersed in. A number of the airport partners have also gone on to work directly with NLS to offer Year 4 students placements for the school's two-month *Industrial Attachment Programme*.

Changi Foundation also strives to impact other youths by funding community-based character development programmes that are developed and organised by social service organisations. One example is a youth football league, where social workers directly involved in the running of each team combine football

with social work and intervention. Another example is a befriending and mentoring programme for youths with formerly incarcerated parents. Through Changi Foundation, CAG continues to give back to society, fully demonstrating its mission to enhance the communities that it serves in a meaningful and sustainable way.

Beyond supporting NLS, Changi Foundation teamed up with CAG's landside concessions team to collaborate in a public promotion for the sales launch of the Changi Gift Card during the year-end festive season last year. With every purchase of the gift card, Changi Foundation matched 5% of the sale proceeds as a donation to NLS's Student Assistance Fund. This fund subsidises common expenses such as uniform purchases, meal allowances, transportation and medical fees for students in need.

With this collaboration, the Changi Gift cards made November and December a rewarding season of giving.

Other than supporting NLS and its students, CAG has also been supporting the Institute of Technical Education (ITE) financially through the monetary collections from donation boxes placed at various spots within Changi Airport's terminals since 2013. At the end of the financial year, CAG donated to ITE a grand total of S\$605,400, the sum comprising collections from the donation boxes, and dollar-for-dollar matching by Changi Foundation. This funding assists ITE students through three programmes – *Monthly Financial Assistance Scheme*, *Overseas Industrial Attachment Programme* and *Overseas Student Exchange Programme*.



I would like to thank the donors who have been helping me financially through Changi Foundation. With this financial assistance, I can concentrate a lot more on my studies and worry less about my other needs. If not, my unwell dad and my busy mum who is taking care of my handicapped brother would have a lot more on their shoulders.

Aishah
ITE College East

Some people judge us by our FAILURES, but we are THANKFUL to have people like YOU who BELIEVE in us and give us HOPE

THANK YOU!
Shavonne
Northlight School

THANK YOU

Thank You

SOCIALLY CONNECTED

Changi Airport's social media channels achieved new heights during the year. This was thanks to a series of 'viral' posts created by the team that elevated Changi Airport's brand in the social media space.

CAG continued to engage and enthuse its social media audiences not only with news of exciting developments at Changi but also with stories of travellers and staff at the airport, adding a softer and more personable dimension to the brand.

Changi's Facebook page ended the year as the world's most liked airport page with 1.93 million page likes – a jump of 39% compared to the previous year. The airport's Instagram following grew by 83%, to reach more than 107,000 followers. The number of followers on LinkedIn grew 30% as it continued to engage with business professionals and offered a glimpse into the company's culture, shaping the brand of CAG as an employer of choice. Changi's Twitter account grew by 18% to 60,300 followers.



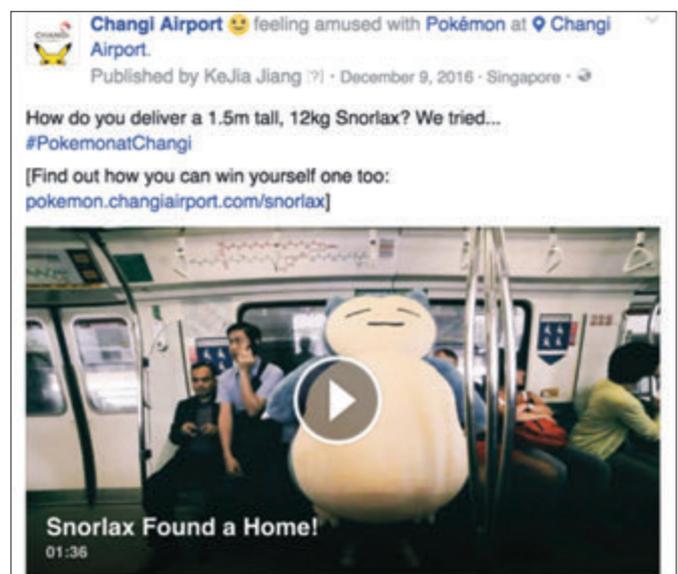
@
Announcing the arrival of Singapore's first Olympic gold medal, the Changi style.

Gone 'viral'

Even with a larger audience, Changi's social media efforts have kept engagement levels high and sentiments positive across all channels.

Trending topics like Joseph Schooling's Olympic Gold, the Paralympians' successes at the Paralympic Games, and Pokémon, gave the airport a chance to amplify its brand positively. With advanced planning, Schooling's impressive win was celebrated with an image of Changi's iconic flight information display board showing his newly set Olympic record, within 15 minutes of his successful swim, much to everyone's delight. Changi also took the opportunity to stream 'live' videos of Schooling's flight home being greeted by a water cannon salute and the welcome parade prepared for him when he landed in Singapore. Reaching 4.1 million unique social media users, these posts received more than 84,000 Facebook reactions and over 15,000 shares.

Changi's social media channels were also used to generate interest in its annual festive year-end campaign, *Pokémon@Changi*, resulting in an unprecedented turnout at the launch parade. A subsequent video of a life-sized Snorlax plush toy being delivered to its lucky winner went viral, resulting in 2.6 million organic views, further raising awareness of the event and the Changi Rewards campaign.



@
The video of Changi's delivery of a life-sized Snorlax plush toy on public transport to a lucky fan amused and entertained many.



@
Changi brought back the popular #2XGST savings promotion to fans' delight.

Driving sales

A close partnership with the landside concessions team presented opportunities for social media to drive awareness, footfall and sales to Changi's landside outlets. Using Facebook's tools for audience profiling and segmentation, the team was able to use social media marketing to appeal to targeted audiences about the 2XGST promotion. The end result was lower media costs, a higher number of transactions and stronger sales.

The softer side of Changi

Content pillars featuring travellers and staff allowed Changi to connect with audiences by sharing heartwarming stories of hellos (**#iamhome**) and goodbyes (**#nowboarding**), while **#FacesofChangi** showcased the airport community playing a part to make Changi the world's most awarded airport. In particular, a post about Certis Cisco officer Lee Min Wei caught the attention of many female fans in the region, with many expressing a desire to meet him in person.



With each picture painting a thousand words, **#iamhome** tugs at the heartstrings of homebound travellers and fans alike.



The good-looking Lee Min Wei makes up one of the most well-liked **#FacesofChangi**.

Changi through different lenses

Leveraging the artistic perspectives of Instagram users and people's passion for food, Changi's Instagram channel showcased the airport's landside dining options through a series of flat lays comprising 45 dishes forming a long table of food.



@ExploreSingapore shows off creative perspectives of Changi Airport in a takeover collaboration.

A collaboration with popular Instagram account @ExploreSingapore in a takeover allowed Changi to reach out and engage audiences beyond its current pool.

Instagram Stories, a new development from the platform, also presented new opportunities for Changi to present behind-the-scenes and ad-hoc glimpses into the workings of the airport, reaching out to younger social media users.

An award-winning social media programme

Changi's social media efforts received mention by many media channels and commendation by both audiences and publications. Changi Airport capped the year with four social media awards:

- 1**

Marketing Excellence Awards 2016
Excellence in Social Media Marketing (Gold)
- 2**

PR Awards 2016
Best Use of Content (Gold)
- 3**

PR Awards 2016
Best Use of Social Media (Gold)
- 4**

PR Awards 2016
Best Use of Social Media (Silver)