Investor Presentation
Financials : Q3 ‘12

06th Feb ‘12

SpiceJet Highlights

SpiceJet's market share increased to 14.4% in the year 2011 as compared to 13% during the year 2010. SpiceJet domestic traffic during the year grew by 29% - significantly ahead of the industry. SpiceJet expects the demand scenario continue to remain robust and the domestic demand to be stable during Year 2012.

SpiceJet has achieved many important milestones during FY 11-12. It has emerged as the fastest growing airline in India for the FY 2011-12 (Source: CAPA). SpiceJet have added more than 50% capacity in its Boeing from 21 airplanes last year to 32 airplanes as on December 2011 and has further added 7 No Next Generation Bombardier Dash Q 400 during the FY 11-12. While it added 10 new locations to its network, the number of daily departures increased from 161 last year to about 255 departures. Spicejet now carry about 35,000 passengers per day as compared to 28,000 passengers a year ago. We have now connected 32 destinations as compared to 22 destinations a year back.

Neil Mills, Chief Executive Officer of SpiceJet said, "We continued to maintain our growth rate in terms of fleet additions, passenger traffic and destinations. But the escalating ATF prices and abnormal increase in the US dollar rates have effected the financial performance of the operations, which could have been much better in this quarter." The company continued to put in efforts to keep the cost of operations under control by relentless drive to boost operational efficiencies. Our robust business model and focus on operational efficiencies has been instrumental in ensuring that we continue to outpace the industry.

Updates for the Year

Business Update:

The company has applied to the Ministry of Civil Aviation for sanctioning new routes in the international sector, which is under active consideration of the government. The company is optimistic that these permissions will be received soon.

The Ministry of Civil Aviation is taking various steps to improve the operational parameters of the aviation industry in India as a whole. It is actively pursing to increase the FDI limits to 49% to be held by other airlines in Indian carriers. The government is also reviewing the sales tax levied by the state governments on the supply of ATF to airlines to improve financial health of aviation industry. The current average sales tax is around 24%, which is second highest in the world after Bangladesh. These steps will augur well for the industry in the medium and long term.

The company remains optimistic about the future as the yield has been stabilized and the growth of passenger traffic is robust. Subject to international prices of crude oil and a stable dollar, the company is optimistic of posting better results.

BSE Results - Financials

Rs. In Lakhs

S.No.	Particulars	Unaudited Quarter ended					Unaudited Year to Date			Audited Year ended
		31-Dec-11	30-Sep-11	31-Dec-10	% Change Q3'12 Vs Q2'12	% Change Q3'12 Vs Q3'11	31-Dec-11	31-Dec-10	Fav / (Adv)	31-Mar-11
1	a) Net Sales / Income from operations	115,313.2	75,902.7	81,999.5	52%	41%	284,500.6	213,084.9	34%	287,950.8
	b) Other Operating Income	2,270.2	746.6	1,119.1	204%	103%	4,296.2	4,630.8	(7%)	5,819.2
	Total Income	**117,583.4**	**76,649.3**	**83,118.6**	53%	41%	**288,796.8**	**217,715.7**	33%	**293,770.0**
2	**Total Expenditure**									
	a) Operating Expenses									
	- Aircraft Fuel	59,230.4	47,814.4	31,149.7	24%	90%	157,562.0	83,142.3	90%	122,623.0
	- Aircraft Lease Rentals	16,002.3	13,748.1	10,598.3	16%	51%	42,944.2	30,622.5	40%	42,847.9
	- Airport Charges	6,962.9	6,032.1	4,740.8	15%	47%	18,626.0	12,719.6	46%	17,613.2
	- Aircraft Maintenance	11,897.8	9,605.0	6,867.0	24%	73%	31,452.1	21,556.9	46%	29,708.2
	- Other Operating Costs	3,478.1	3,158.3	3,385.5	10%	3%	10,263.2	9,115.0	13%	12,567.1
	b) Staff Cost	11,208.8	8,638.8	6,152.2	30%	82%	27,540.7	17,677.5	56%	24,392.6
	c) Other expenditure	10,707.4	11,348.6	8,788.9	(6%)	22%	32,701.9	24,054.8	36%	32,448.6
3	Depreciation	1,215.9	369.8	229.3	229%	430%	1,839.4	647.4	184%	891.0
4	**Profit / (Loss) from operations before other income, interest and exceptional items (1-2-3)**	**(3,120.2)**	**(24,065.8)**	**11,206.9**			**(34,132.7)**	**18,179.7**		**10,678.4**
5	Other Income	626.2	430.6	685.7	45%	(9%)	1,391.1	2,369.2	(41%)	2,621.5
6	**Profit / (Loss) before Interest and exceptional items (4+5)**	**(2,494.0)**	**(23,635.2)**	**11,892.6**			**(32,741.6)**	**20,548.9**		**13,299.9**
7	Interest	1,432.0	886.6	96.6	62%	1,382%	2,917.7	365.9	697%	483.0
8	Prior Period Adjustment - (Gain) / Loss	-	-	-			-	227.7	(100%)	227.7
9	**Profit / (Loss) after interest before exceptional items (6-7-8)**	**(3,926.0)**	**(24,521.8)**	**11,796.0**			**(35,659.3)**	**19,955.3**		**12,589.2**
10	**Exceptional items (Refer note 4 below)**									
	a. Unrealised foreign exchange gain / (loss)	-	-	-			-	-		-
10	Provision for Taxation									
	- Income Tax	-	-	2,351.0		(100%)	-	3,977.2	(100%)	2,473.7
11	**Net Profit / (Loss) from Ordinary Activities (9-10-11)**	**(3,926.0)**	**(24,521.8)**	**9,445.0**			**(35,659.3)**	**15,978.1**		**10,115.5**
12	Extraordinary Items - (Gain) / Loss	-	-	-			-			-
13	**Net Profit / (Loss) (12-13)**	**(3,926.0)**	**(24,521.8)**	**9,445.0**			**(35,659.3)**	**15,978.1**		**10,115.5**

BSE Results - Financials

S.No.	Particulars	Unaudited Quarter ended			Unaudited Year to Date		Audited Year ended
		31-Dec-11	30-Sep-11	31-Dec-10	31-Dec-11	31-Dec-10	31-Mar-11
15	Paid-up Equity Capital (Number of Shares)	441,449,730	405,549,730	405,378,065	441,449,730	405,378,065	405,378,065
	(Face Value Rs.10/- per Equity Share)						
16	Reserves excluding Revaluation reserves						63,168.0
17	Debit Balance Profit & Loss A/c						72,122.0
18	Basic EPS - In Rs (Quarterly / 9 month numbers are not annualised)	(0.90)	(6.05)	2.35	(8.57)	4.60	2.80
	Diluted EPS - In Rs (Quarterely / 9 month numbers are not annualised)	(0.90)	(6.05)	2.32	(8.57)	3.93	2.49
19	Total Public Shareholding as defined under clause 40A of the Listing Agreement						
	- Number of Shares	249,021,425	249,021,425	248,849,760	249,021,425	248,849,760	248,849,760
	- Percentage of holding	56.41%	61.40%	61.39%	56.41%	61.39%	61.39%
20	Promoters and promoter group shareholding						
	a) Pledged/Encumbered						
	- Number of shares	91,675,001	134,868,751	28,900,000	91,675,001	28,900,000	28,900,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	47.64%	86.16%	18.46%	47.64%	18.46%	18.46%
	- Percentage of shares (as a % of the total share capital of the company)	20.77%	33.26%	7.13%	20.77%	7.13%	7.13%
	b) Non-encumbered						
	- Number of Shares	100,753,304	21,659,554	127,628,305	100,753,304	127,628,305	127,628,305
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	52.36%	13.84%	81.54%	52.36%	81.54%	81.54%
	- Percentage of shares (as a % of the total share capital of the company)	22.82%	5.34%	31.48%	22.82%	31.48%	31.48%

Notes :

1 The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 6, 2012 and have been subjected to a limited review by the auditors of the Company.

2 Accounting Standard (AS) 17 on 'Segment Reporting' requires the Company to disclose certain information about operating segments. The Company is managed as a single operating unit that provides air transportation only and has no other segment operation.

3 As explained in paragraph 17.1 of schedule 22 of the audited financial statements for the year ended March 31, 2011, the unaccrued interest on inter corporate deposit of Rs. 500 lakhs under litigation at Bombay High Court since November 30, 2001, amounts to Rs. 747.10 lakhs. Had the Company accrued for the outstanding interest as described above, the net loss reported for the quarter would have been higher by Rs 747.10 lakhs (net of tax) and the accumulated loss as at December 31, 2011 would have been higher by the same amount. The Company's management believes that pending finality of the suit filed against the Company in the Bombay High Court, no interest needs to be accrued on the deposit at this point in time on account of its defence in the Court proceedings. The auditors have qualified their audit report for the year ended March 31, 2011 and limited review reports for the quarters ended December 31, 2011, September 30, 2011 and December 31, 2010 for the above matter. This may be treated as our response to the observations in the auditors' review report.

4 The Company had opted for the accounting treatment prescribed in the notification no G.S.R 225 E dated 31.03.2009 (as amended from time to time), based on which the foreign exchange differences arising on reporting of long term monetary liabilities relating to acquisition of depreciable assets were capitalized to the cost of the relevant assets. However, the said notification does not cover exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs as defined in paragraph 4 (e) of AS 16 - Borrowing costs. The Company has not considered any part of the foreign exchange fluctuation on the underlying borrowings as interest cost as required under the said standard, as it believes that the recent movements in currency rates cannot be attributed to changes in interest rates in view of the high volatility in the currency rates particularly considering the changes in currency rates post period end. The auditors have qualified their review report for the above matter. This may be treated as our response to the observations in the auditors' review report.

Notes (contd.):

5 The Company's operating results for the current year has been materially affected by various factors, particularly high aircraft fuel costs, significant depreciation in the value of the currency and general economic slowdown. The Company has been actively implementing various measures such as fare and route rationalization, optimizing aircraft utilization, improving operational efficiencies and other cost control measures to improve the Company's operating results and cash flows. In addition, the Company continues to explore various options to raise finance in order to meet its short term and long term obligations. The Company believes that these measures will not only result in sustainable cash flows, but also enhance the Company's plans of expansion. Accordingly, the Company's financial statements have been prepared on a going concern basis whereby the realization of assets and discharge of liabilities are expected to occur in the normal course of business.

6 The MCA has issued an amendment dated 29.12.2011 to notification no. G.S.R 225 E dated 31.03.2009 on Accounting Standard 11 "the effects of changes in foreign exchange rates" ("AS 11") to allow companies to defer / capitalize exchange differences arising on long term foreign currency monetary items. Paragraph 46 A of the said notification requires the amendment to be applied on a prospective basis from April 1, 2011. Consequently, the Company has adjusted foreign exchange gains (net) of Rs. 530.2 lakhs arising on long term foreign currency monetary items which were previously recognised in the profit and loss account to the Foreign Currency Monetary Item Translation Difference Account in the balance sheet to be amortised over the remaining tenure of the related long term foreign currency monetary item. The same has been given effect to by restating the results of the relevant prior interim periods.

7 During the quarter, the Company has issued 35,900,000 shares to Mr. Kalanithi Maran, the promoter of the Company through preferential issue at a price of Rs. 36.48 per share aggregating to Rs.130.96 crores through this issue. As at December 31, 2011, the Company has utilised the entire proceeds of the preferential issue towards meeting its expansion program and working capital requirements, in accordance with the objects of the said issue.

8 Details of number of investor complaints for the quarter ended December 31, 2011 : Beginning - 01; Received - 23; Disposed off - 24; Pending - Nil.

9 Previous periods' / years' figures have been regrouped / reclassified wherever considered necessary to conform to current period's classification.

Operational Highlights

	Actual Q3 '12	LY Q3 '11	Fav/ (Adv)	Actual FY '11
Net Sales / Income from operations (Rs.Lakhs)	117,583	83,119	*41.5%*	293,770
Total cost of operations (Rs. Lakhs)	118,861	70,997	*(67.4%)*	279,579
- Fuel (Rs. Lakhs)	*59,230*	*31,150*	*(90.1%)*	*122,623*
- Other (Rs. Lakhs)	*59,631*	*39,847*	*(49.7%)*	*156,956*
EBIDTA (Rs. Lakhs)	(1,278)	12,122		14,191
EBIDTA %	(1.1%)	14.6%		4.8%
EBIDTAR (Rs. Lakhs)	14,724	22,720		57,039
EBIDTAR %	12.5%	27.3%		19.4%
PBT	(3,926)	11,796		12,589
PAT	(3,926)	9,445		10,116
PAT%	(3.3%)	11.4%		3.4%
Operating Parameters :				
ASK (Lakhs)	36,058	27,314	32.0%	104,669
Block Hours	37,821	24,744	*52.8%*	97,339
Departures	22,712	14,184	*60.1%*	53,963
Pax Carried ('000)	3,084	2,387	*29.2%*	8,608
Average No. of Aircraft	36.7	23.0	*59.5%*	22.5
Flight Cycle Ratio	1.67	1.74	*(4.5%)*	1.80
Aircraft Utilization/day	11.44	11.69	*(2.2%)*	11.87
Departures per day per aircraft	6.64	6.70	*(0.9%)*	6.58
Fuel Cost / KL - Rs.	56,303	39,446	*(42.7%)*	40,734
Average Revenue	3,812	3,482	*9.5%*	3,413
Load Factor	80.1%	87.8%	*(8.8%)*	82.5%
Revenue / ASK (Rs.)	3.26	3.04	*7.2%*	2.81
Cost / ASK (Rs.)	3.30	2.60	*(26.8%)*	2.67
- Fuel Cost / ASK	*1.64*	*1.14*	*(44.0%)*	*1.17*
- Cost (ex-fuel) / ASK	*1.66*	*1.46*	*(14.0%)*	*1.50*