

Investors Presentation Financials: Q1 '13

30th July '12

Spicejet highlights



SpiceJet's market share continued to increase to 18.6% in June 2012 as compared to 17.1% in March 2012. SpiceJet's passenger traffic during the quarter grew by 26% YOY.

During the quarter, Spicejet have added 2 more Boeing aircraft and 5 more Dash Q400 to the existing Fleet capacity to end up with 35 Boeing aircraft and 12 Q400. We added 5 domestic destinations and 1 international destination to our existing network and no of departure increased to 283 from 261. The additional Dash Q400 added during the quarter will be based out of Delhi and will operate to adjoining cities to improve the connectivity to the northern part of India.

Neil Mills, Chief Executive Officer of Spicejet said, "While we expand our footprint in domestic as well as international sectors, the excessive taxation on ATF in India and the weakening of Indian Rupee against the US dollar are matters of serious concern. The sharp increase in airport charges and other pass-through levies in various forms are increasing the cost of air travel to our passengers, without bringing any additional revenue to the airlines. The need of the hour is for Government of India to intervene proactively and launch initiatives urgently to improve the health of Indian civil aviation".

30th July '12



Business update



During the current quarter Q1, the company was able to maintain increased yield on passenger tickets and a healthy Load factor. The effective fuel Price per KL was increasing in spite drop in international crude price. Added to this, the decrease in the value of Indian rupee viz a viz the US dollar had an effect of increasing the cost of operation.

Spicejet commenced operation to one more international sector by connecting Dubai from Delhi and Mumbai. It is also planning to add Kabul to its international network from August 2012. More international destinations will be added during next quarter as and when external permissions are received.

Based on the license received from the Ministry of Commerce to import jet fuel directly, Spicejet have taken necessary steps to examine the feasibility of importing jet fuel at a lower cost. We are in the process of finalizing necessary contracts to import the first consignment into India sooner.

Though the international crude prices fell substantially during the quarter, the Indian aviation industry did not the experience the benefit of the same due to the price structure adopted by the oil marketing companies. The weakness of Indian rupee viz a viz US dollar continued to be a cause of concern.

30th July '12



BSE results - Financials



(Rupees in Lakhs except EPS and Shareholding data)					
S.No.	Particulars	Quarter ended			Year ended
		Unaudited 30-Jun-12	Unaudited 31-Mar-12	Unaudited 30-Jun-11	Audited 31-Mar-12
1	Income from operations		(Refer Note 08)		
	a) Net Sales / Income from Operations	140,674.4	110,209.5	93,075.9	394,326.2
	b) Other Operating Income	5,994.8	1,090.7	1,488.2	5,471.0
	Total Income from operations	146,669.2	111,300.2	94,564.1	399,797.2
2	Expenses				
	a) Operating Expenses				
	- Aircraft Fuel	66,967.3	62,050.2	50,517.2	219,612.2
	- Aircraft Lease Rentals	19,625.5	17,246.5	13,193.8	60,190.7
	- Airport Charges	7,656.6	7,332.5	5,631.0	25,958.5
	- Aircraft Maintenance	13,411.7	17,232.6	9,966.9	48,684.7
	- Other Operating Costs	3,942.7	3,551.3	3,626.8	13,814.5
	b) Employee Benefits Expense	13,134.6	12,746.5	7,693.1	40,287.2
	c) Depreciation and Amortisation Expense	1,373.2	1,260.4	253.7	3,099.8
	d) Other Expenses	14,314.4	11,185.9	10,309.8	43,085.5
	Total expenses	140,426.0	132,605.9	101,192.3	454,733.1
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	6,243.2	(21,305.7)	(6,628.2)	(54,935.9)
4	Other Income	1,216.2	723.1	334.3	2,114.2
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	7,459.4	(20,582.6)	(6,293.9)	(52,821.7)
6	Finance Costs	2,501.6	1,805.5	902.5	5,225.7
7	Profit / (Loss) before exceptional items (5-6)	4,957.8	(22,388.1)	(7,196.4)	(58,047.4)
8	Exceptional Items (Refer note 5)	(1,286.4)	2,529.4	-	2,529.4
9	Profit / (Loss) before tax (7-8)	6,244.2	(24,917.5)	(7,196.4)	(60,576.8)
10	Tax Expense	629.1	-	-	-
11	Net Profit / (Loss) for the period (9-10)	5,615.1	(24,917.5)	(7,196.4)	(60,576.8)
12	Paid-up Equity Share Capital (Face Value Rs.10/- per Equity Share)	48,435.0	44,145.0	40,537.8	44,145.0
13	Reserves excluding Revaluation reserves				(59,451.3)
14	Earnings Per Share				
	a) Basic (Rs) *	1.17	(5.64)	(1.78)	(14.35)
	b) Diluted (Rs) *	1.17	(5.64)	(1.78)	(14.35)

BSE results - Financials



Part II - Select information for the quarter ended June 30, 2012

S.No.	Particulars	Quarter ended			Year ended
		Unaudited 30-Jun-12	Unaudited 31-Mar-12	Unaudited 30-Jun-11	Audited 31-Mar-12
A	PARTICULARS OF SHAREHOLDING				
1	Public Shareholding				
	- Number of Shares	249,021,425	249,021,425	248,849,760	249,021,425
	- Percentage of holding	51.41%	56.41%	61.39%	56.41%
2	Promoters and promoter group shareholding				
	a) Pledged / Encumbered				
	- Number of shares	91,675,001	91,675,001	90,967,308	91,675,001
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	38.96%	47.64%	58.12%	47.64%
	- Percentage of shares (as a % of the total share capital of the company)	18.93%	20.77%	22.44%	20.77%
	b) Non-encumbered				
	- Number of Shares	143,653,304	100,753,304	65,560,997	100,753,304
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	61.04%	52.36%	41.88%	52.36%
	- Percentage of shares (as a % of the total share capital of the company)	29.66%	22.82%	16.17%	22.82%

	Particulars	Quarter ended June
B	INVESTOR COMPLAINTS	
	Pending as at the beginning of the quarter	6
	Received during the quarter	22
	Disposed of during the quarter	26
	Remaining unresolved as at the end of the quarter	2

* - Quarterly numbers are not annualised.

BSE results - Financials



Notes

- 1 The above unaudited financial results for the quarter ended June 30, 2012 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 30, 2012.
- 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 un-accrued 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 profit (after tax) reported for the quarter would have been lower by Rs 597.60 lakhs and the accumulated loss as at June 30, 2012 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, 2012 and limited review report for the quarter ended June 30, 2012 and June 30, 2011 for the above matter. This may be treated as our
- 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. The auditors have qualified their audit report for the year ended March 31, 2012 and limited review report for the quarter ended June 30, 2012 for the above matter. This may be treated as our response to the observations in the auditors' review report.
- 5 During the previous year, the Company had incurred certain engine repair costs which were disclosed as an exceptional item in the relevant period. During the current quarter, the Company has received warranty claims from the engine manufacturer against these costs incurred. Such claims have been recognised as income and the same has been disclosed as an exceptional item.
- 6 The Company has achieved significant growth in revenues for the current quarter and in the previous financial year and has also managed to achieve better yields. However, the Company's operating results 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, renegotiation of contracts 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, with the promoters infusing additional capital in the current quarter. The Company believes that these measures will not only result in sustainable cash flows, but also enhance the Company's plans for 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.
- 7 During the current quarter, the Company has issued 42,900,000 equity shares to Mr. Kalanithi Maran, the promoter of the Company through preferential issue at a price of Rs. 23.18 per share for a total consideration aggregating to Rs. 9,944.22 lakhs.
- 8 The standalone figures for the quarter ended March 31, 2012 are the balancing figures in respect of the full financial year ended March 31, 2012 and the un-audited published year-to-date figures upto December 31, 2011, being the end of the third quarter of the financial year which was subjected to a limited review.
- 9 Previous periods' / years' figures have been regrouped / reclassified wherever considered necessary to conform to current period's / years' classification.

Operational highlights



	Actual Q1 '13	LY Q1 '12	Fav/ (Adv)
Net Sales / Total Income from operations (Rs.Lakhs)	146,669	94,564	55.1%
Total cost of operations (Rs. Lakhs)	137,837	100,604	(37.0%)
- Fuel (Rs. Lakhs)	66,967	50,517	(32.6%)
- Other (Rs. Lakhs)	70,869	50,087	(41.5%)
EBIDTA (Rs. Lakhs)	8,833	(6,040)	
EBIDTA %	6%	-6%	
EBIDTAR (Rs. Lakhs)	28,458	7,154	
EBIDTAR %	19%	8%	
PBT	6,244	(7,196)	
PAT	5,615	(7,196)	
PAT%	4%	-8%	
Operating Parameters:			
ASK (Lakhs)	37,762	32,353	
Block Hours	39,690	29,440	
Flight Hours	33,600	25,456	
Departures	24,604	17,094	
Pax Carried ('000)	3,256	2,582	
Average No. of Aircraft	39.0	28.3	
Flight Cycle Ratio	1.37	1.49	
Aircraft Utilization/day	11.18	11.44	
Departures per day per aircraft	6.93	6.64	
Fuel Cost / KL - Rs.	60,935	54,207	
Average Pax Revenue	4,068	3,283	
Load Factor	80.3%	78.9%	
Pax Revenue / Flight Rs.	538,291	495,824	
Fuel Cost / Flight - Rs.	272,181	295,526	
Revenue / ASK (Rs.)	3.92	2.87	
Cost / ASK (Rs.)	3.77	3.09	
- Fuel Cost / ASK	1.77	1.56	
- Cost (ex-fuel) / ASK	2.00	1.53	