



With all our heart

SpiceJet

SpiceJet Q1 - FY15
Investor Presentation

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In addition, certain statements contains our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in aviation sector including those factors which may affect our cost advantage, wage fluctuations, our ability to attract and retain highly skilled professionals, time and cost overruns on various parameters, our ability to manage international operations, reduced demand for air travel, liability for damages, withdrawal or expiration of governmental fiscal incentives, political instability, legal restrictions on raising capital or general economic conditions affecting our industry.

The words "anticipate", "believe", "estimate", "expect", "intend" and similar expressions, as they relate to us, are intended to identify certain of such forward-looking statements. The Company may, from time to time, make additional written and oral forward-looking statements, including statements contained in our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

QUARTER HIGHLIGHTS

Q1 FY15

SpiceJet achieves operating profit of Rs 9 cr (prior to restructuring and certain one-off costs) in challenging market conditions

Intensive restructuring and market stimulation showing positive results:

- Delivers highest ever RASK (unit revenue) for the months of May and June, driven by high load, improved yield, and growth in ancillary revenues
- Emerges as the #2 airline in India in terms of domestic passenger share in June despite network rationalization that reduced capacity by 8.4% in the quarter
- Across-the-board cost reduction initiatives are well underway, and is the primary focus of the company going forward as the re-structuring continues.

Management comments (1/2)



- SpiceJet achieved an **operating profit of Rs 9 cr for the quarter** (not considering **restructuring and certain one-off costs** described below) despite an adverse year-over-year impact on expenses of fuel price and foreign exchange rate of Rs 106 cr.
- **Positive operating result and share gain despite macro-economic and industry conditions that remained challenged** in terms of GDP growth, natural demand, exchange rate, fuel cost, and demand / supply balance, in a quarter which saw addition of capacity and entrance of new player
- On a year-over-year basis, **top line revenue for the quarter held steady despite 8.4% reduction in capacity** (ASKs) after reduction of five aircraft from fleet (two scheduled, four early returns as part of network rationalization; one new aircraft was also added to the fleet in May); **load factor up 2.4%, passenger yield (Revenue/RPK) up 4.8%**, and total unit revenue or **RASK** (inclusive of ancillary revenues) was **up 9.4%** (RASK is the best measure of revenue performance as it combines both load factor and yield)
- Revenue performance improved significantly month-over-month from April to June (**load factor increased from 70.6% in April to an industry-leading 81.4% in June**); **in addition, SpiceJet's highest ever RASK was achieved in the months of May and June.** The month of April was adversely impacted by ramp-up period for the new network that was launched on March 30, as well as by muted industry and corporate demand given the then ongoing elections
- **Ancillary revenues increased 18% year-over-year** as a result of higher loads, better ancillary product offerings, and higher conversion of ancillary offerings

Management comments (2/2)



- **Operational performance remained strong**, with SpiceJet ranking in the top 2 or 3 in terms of on-time performance, completion factor (defined as 100% less percentage of cancelled flights), and customer complaint rates (where it ranked #2 in terms of least complaints per 10,000 passengers)
- As a result of high load factors coupled with increased aircraft utilization and strong operational performance, SpiceJet emerged in June as the **second largest airline in India by passenger share for domestic travel**, despite reduction in capacity deployed
- Operating costs (which exclude restructuring and certain one-off costs) increased 3.2% year over year, driven largely by fuel cost and exchange rate. **Excluding fuel and foreign exchange denominated costs, operating costs were down 3.3% year over year**
- **Both domestic and international networks, as well as both the Boeing and Q400 fleets, were positive contribution** for the quarter (inclusive of airport, aircraft and maintenance costs)
- SpiceJet attributes positive operating performance to the **positive impact of SpiceJet's new restructured network and schedule, its investments in brand, marketing, and customer experience, its ongoing cost reduction efforts, and importantly, to its active approach to demand generation via market stimulation** through innovative pricing and revenue management
- During the quarter, SpiceJet also incurred **restructuring and one-off costs consisting of Rs 133 cr relating to restructuring** of the network and fleet along with capacity rationalization that required early aircraft lease terminations and associated expenses for four aircraft, as well as additional interest and funding costs driven by unprecedented carry-forward losses from the previous fiscal
- **As a result of the above restructuring and one-off costs totalling Rs 133 cr, SpiceJet reported a net loss of Rs 124 cr for the quarter ending June 2014.**

Results (1/4)



SPICEJET LIMITED

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Part I - Statement of Unaudited Financial Results for the quarter ended June 30, 2014

(Rupees in Lakhs except EPS and Shareholding data)

S.No.	Particulars	Quarter ended		Year ended	
		Unaudited 30-Jun-14	Audited 31-Mar-14 Refer note 6	Unaudited 30-Jun-13	Audited 31-Mar-14
1	Income from operations				
	a) Net Sales / Income from Operations	167,858.9	157,340.5	168,847.9	630,423.3
	b) Other Operating Income	1,245.3	1,620.5	1,306.4	5,187.4
	Total Income from operations	169,104.2	158,961.0	170,154.3	635,610.7
2	Expenses				
	a) Operating Expenses				
	- Aircraft Fuel	77,331.3	86,056.7	73,983.5	325,266.0
	- Aircraft Lease Rentals	27,427.5	29,246.5	21,979.0	105,317.4
	- Airport Charges	10,825.1	12,115.6	11,457.2	47,401.0
	- Aircraft Maintenance	19,005.6	22,099.1	19,909.6	98,397.6
	- Aircraft Redelivery Expenses	4,167.6	2,750.6	-	3,575.2
	- Other Operating Costs	4,767.4	5,227.2	5,164.8	20,862.6
	b) Employee Benefits Expense	13,867.2	13,603.1	15,402.1	57,569.5
	c) Depreciation and Amortisation Expense (refer note 4)	3,227.9	4,168.5	3,101.6	14,826.0
	d) Other Expenses	17,675.1	15,514.7	13,195.5	57,152.9
	Total expenses	178,294.7	190,782.0	164,193.3	730,368.2
3	Profit / (Loss) from operations before other income and finance costs	(9,190.5)	(31,821.0)	5,961.0	(94,757.5)
4	Other Income	1,650.1	4,175.8	1,952.2	8,094.6
5	Profit / (Loss) from ordinary activities before finance costs (3+4)	(7,540.4)	(27,645.2)	7,913.2	(86,662.9)
6	Finance Costs	4,870.0	4,505.8	2,857.5	13,661.5
7	Profit / (Loss) before tax (5-6)	(12,410.4)	(32,151.0)	5,055.7	(100,324.4)
8	Tax Expense	-	-	-	-
9	Net Profit / (Loss) for the period (7-8)	(12,410.4)	(32,151.0)	5,055.7	(100,324.4)
10	Paid-up Equity Share Capital (Face Value Rs.10/- per Equity Share)	53,528.1	53,528.1	52,028.1	53,528.1
11	Reserves excluding Revaluation reserves				(158,806.1)
12	Earnings Per Share				
	a) Basic (Rs) *	(2.32)	(6.01)	0.97	(19.16)
	b) Diluted (Rs) *	(2.32)	(6.01)	0.97	(19.16)

* - Quarterly numbers are not annualised.



Results (2/4)



Part II - Select information for the quarter ended June 30, 2014					
S.No.	Particulars	Quarter ended			Year ended
		Unaudited 30-Jun-14	Audited 31-Mar-14	Unaudited 30-Jun-13	Audited 31-Mar-14
A	PARTICULARS OF SHAREHOLDING				
1	Public Shareholding				
	- Number of Shares	249,021,425	249,021,425	249,021,425	249,021,425
	- Percentage of holding	46.52%	46.52%	47.86%	46.52%
2	Promoters and promoter group shareholding				
	a) Pledged / Encumbered				
	- Number of shares	83,057,932	83,057,932	52,345,626	83,057,932
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	29.01%	29.01%	19.30%	29.01%
	- Percentage of shares (as a % of the total share capital of the company)	15.52%	15.52%	10.06%	15.52%
	b) Non-encumbered				
	- Number of Shares	203,201,826	203,201,826	218,914,132	203,201,826
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	70.99%	70.99%	80.70%	70.99%
	- Percentage of shares (as a % of the total share capital of the company)	37.96%	37.96%	42.08%	37.96%
B	INVESTOR COMPLAINTS				
	Pending as at the beginning of the quarter	-			
	Received during the quarter	12			
	Disposed of during the quarter	12			
	Remaining unresolved as at the end of the quarter	-			

Notes

- 1 The above unaudited financial results for the quarter ended June 30, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 14, 2014.
- 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 note 34 (a) (i) of the audited financial statements for the year ended March 31, 2013, 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 and the accumulated loss as at June 30, 2014, 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, 2014 and limited review report for the quarter ended June 30, 2013 for the above matter. This may be treated as our response to the observations in the review report.
- 4 The Company has adopted useful life of Plant and machinery, Office equipment, Computers, Furnitures and fixtures, Motor vehicles and Software as indicated in Schedule II of the Companies Act, 2013. Due to the above, depreciation charge for the quarter is higher by Rs. 271.6 lakhs. Further, based on the transitional provision given in Note 7(b) of Schedule II, an amount of Rs. 244 lakhs has been adjusted to the balance carried forward (deficit) in the statement of profit and loss.
- 5 The Company has incurred losses of Rs 12,410.4 lakhs for the quarter ended June 30, 2014, and has accumulated losses of Rs 264,785.2 lakhs as at that date against shareholders' funds of Rs 150,227.7. As of this date, the Company's total liabilities exceeded its total assets by Rs. 114,557.5 lakhs. The Company's operating results continue to be materially affected by various factors, particularly high aircraft fuel costs, significant depreciation in the value of the currency, increased competition and general economic slowdown. The loss for the current quarter includes costs associated with premature lease foreclosures. The Company continues to implement various measures to improve its product offering and enhancing customer experience, along with simultaneous investments to improve selling and distribution channels, revenue management and marketing functions. After a comprehensive review of its network, the company has revised its operating schedule which is aimed at maximizing profitability and improving operating efficiency. The Company has also terminated certain aircraft leases ahead of schedule in the current quarter in order to rationalize its fleet size and capacity in the near term as part of its turnaround plan. These measures along with consistent improvement in aircraft loads and RASK, as well as enhancement in ancillary revenues, are expected to drive growth in revenues in the future. The Company also continues to implement various measures to optimize aircraft utilization, redeployment of capacity in key focus markets, improving operational efficiencies, renegotiation of contracts and other cost control measures to improve its operating results and cash flows. In addition, the Company continues to explore various options to raise financing in order to meet its short term and long term obligations. The Company believes that these

Results (4/4)



The promoters continue to be committed to providing the required operational and financial support to the Company in the foreseeable future. The Company's promoters currently hold 64,169,000 share warrants (convertible into equivalent no. of equity shares) against which they have already remitted 25% up-front money amounting to Rs. 3,330.4 lakhs as well as an amount of Rs. 2,500 lakhs which has been provided as an advance against the remaining subscription money to be received consequent to the conversion of the warrants issued during the previous year. In addition to the above, the Company has also availed an unsecured loan of Rs. 7,500 lakhs from its promoter. In view of the foregoing, 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

6 The figures for the quarter ended March 31, 2014 are balancing figures between audited figures in respect of the full financial year ended March 31, 2014 and the un-audited published year-to-date figures up to December 31, 2013, being the end of the third quarter of the financial year which was subjected to limited review.

7 Previous periods' / year's figures have been regrouped / reclassified wherever considered necessary to conform to current periods' / year's

For Spicejet Limited

Place : Chennai, Tamil Nadu

Date : August 14, 2014

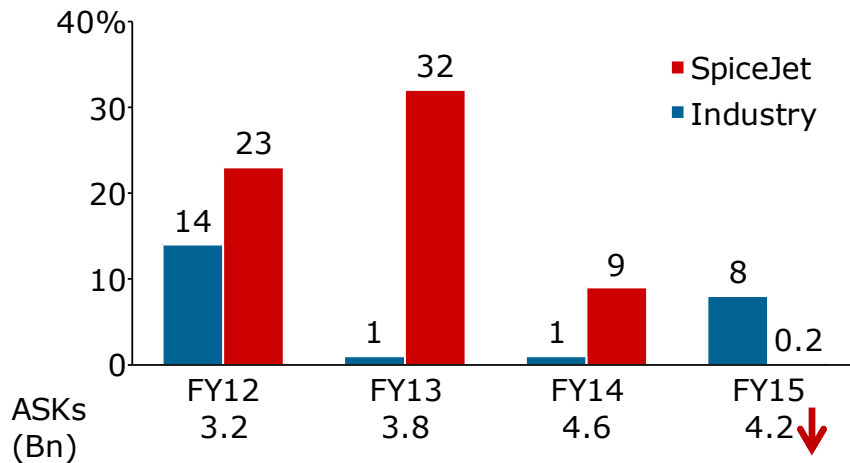
S Natrajhen
Managing Director

Domestic market (Q1): Despite capacity reduction in Q1 FY15, SG became 2nd largest player by market share in June 2014



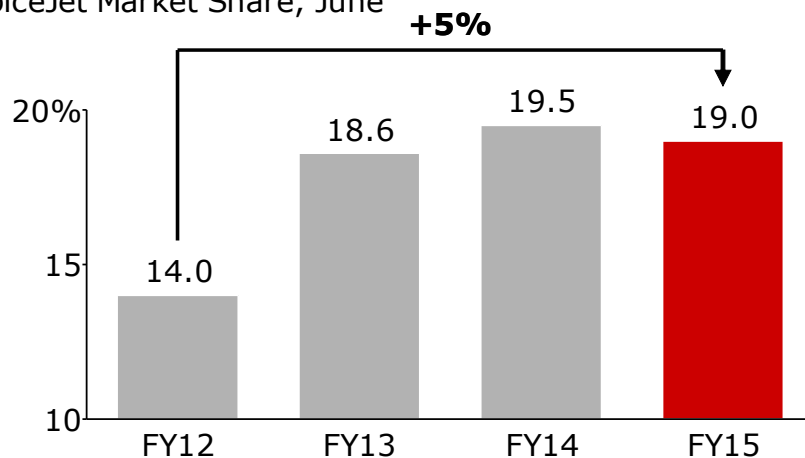
SG GROWTH IN Q1 FY15 STAGNANT DUE TO DECLINE IN CAPACITY

% Growth in Pax, Q1 (YoY)

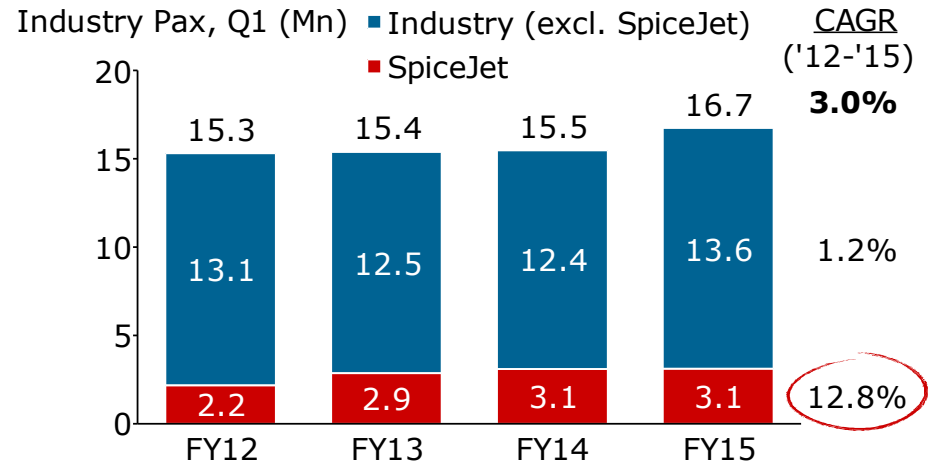


5% MARKET SHARE GAIN SINCE FY12

SpiceJet Market Share, June

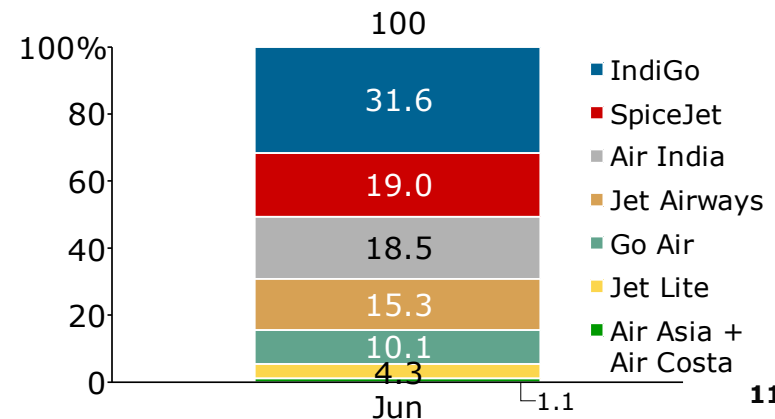


SG HAS SIGNIFICANTLY OUTGROWN THE MARKET IN LAST 3 YEARS



2ND HIGHEST MARKET SHARE IN JUNE

Market Share (%), June 2014

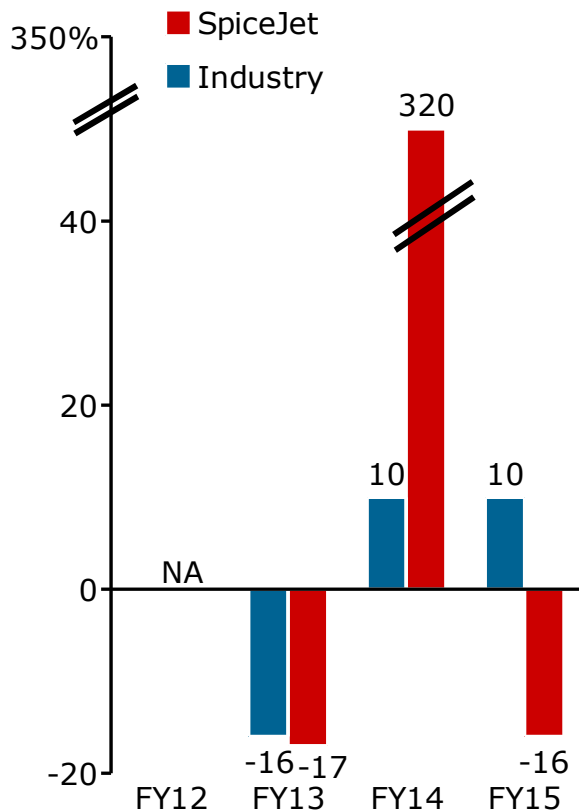


International market (Q1): Significant SG growth since the launch of international operations in FY12

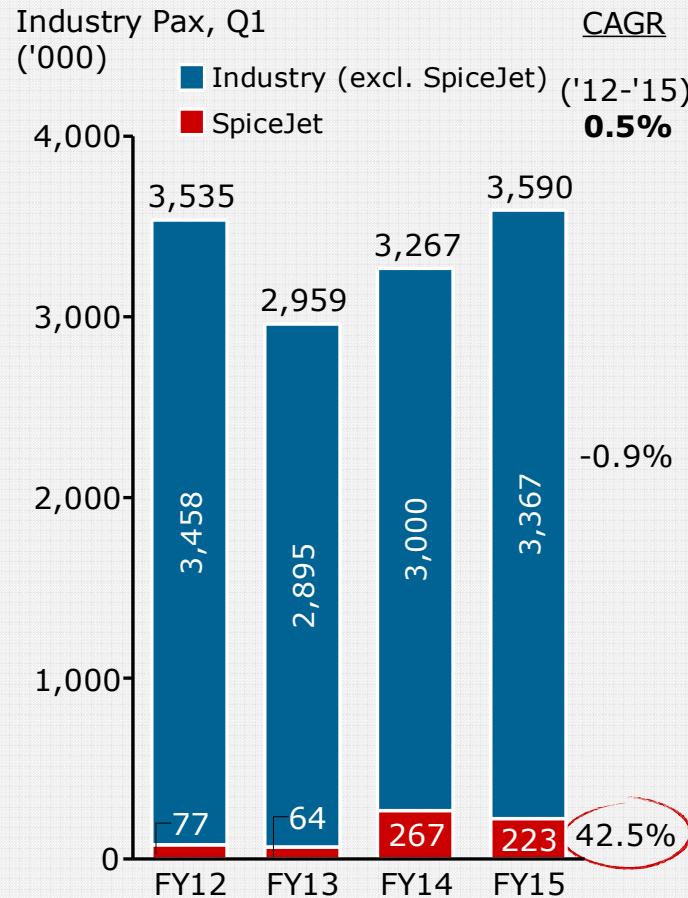


DECLINE IN SG Q1 FY15 GROWTH DUE TO NETWORK RATIONALIZATION

% Growth in International Pax, Q1 (YoY)

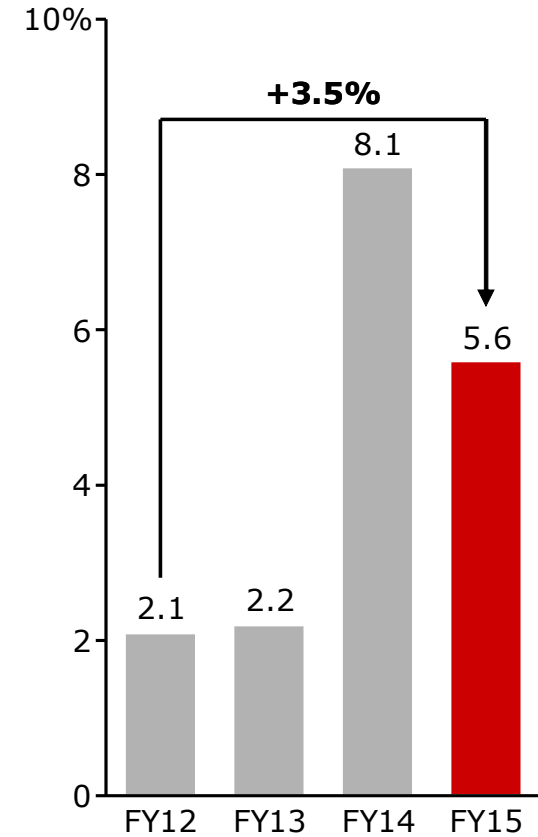


~43% GROWTH CAGR IN SG'S Q1 INTERNATIONAL PAX IN LAST 3 YEARS



3.5% MARKET SHARE GAIN SINCE FY12

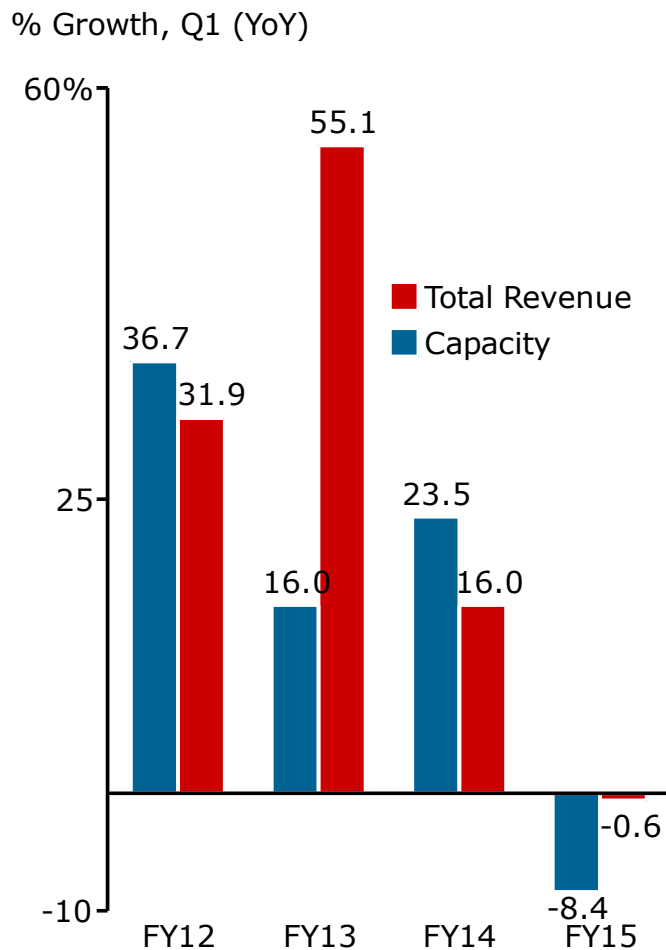
SpiceJet International Market Share (%), June



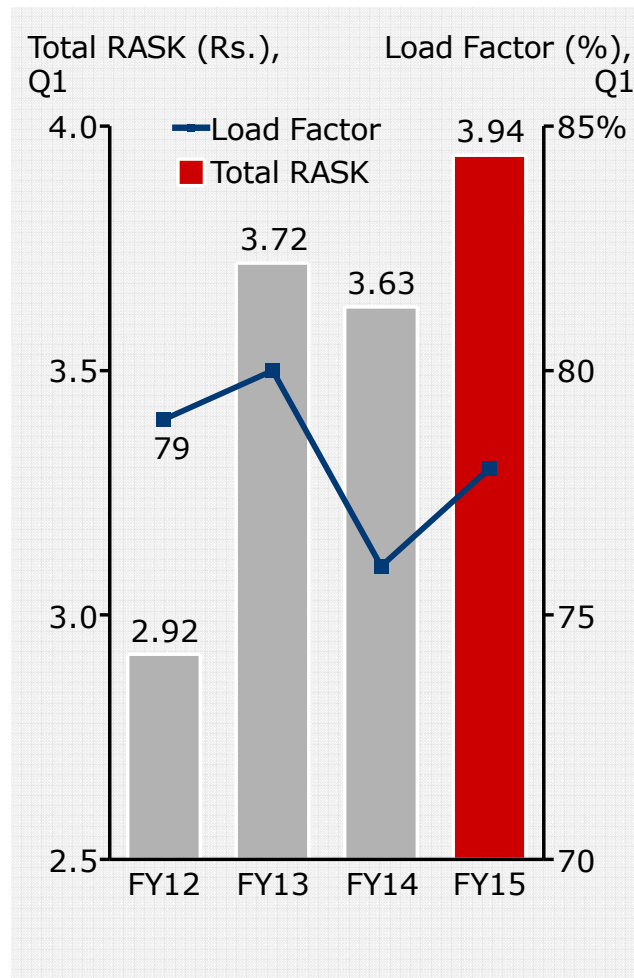
Key indicators (Q1): Higher RASK has helped to maintain revenues at FY14 levels inspite of capacity reduction



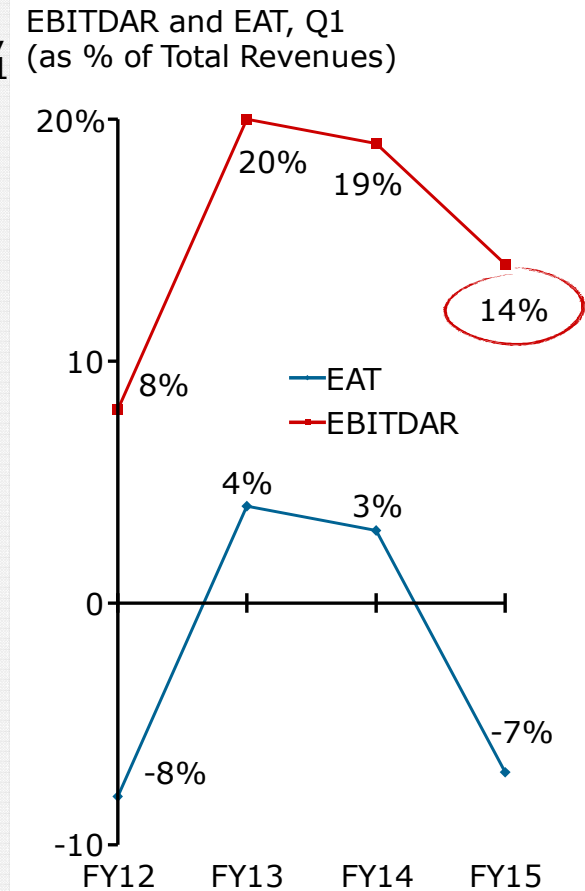
INSPIRE OF ~8% CAPACITY REDUCTION, REVENUE HAS REMAINED CONSTANT IN Q1 FY15 VS. FY14...



...DRIVEN BY HIGHER RASK AND LOAD FACTOR



HIGH EBITDAR MARGIN OF 14% IN Q1 FY15

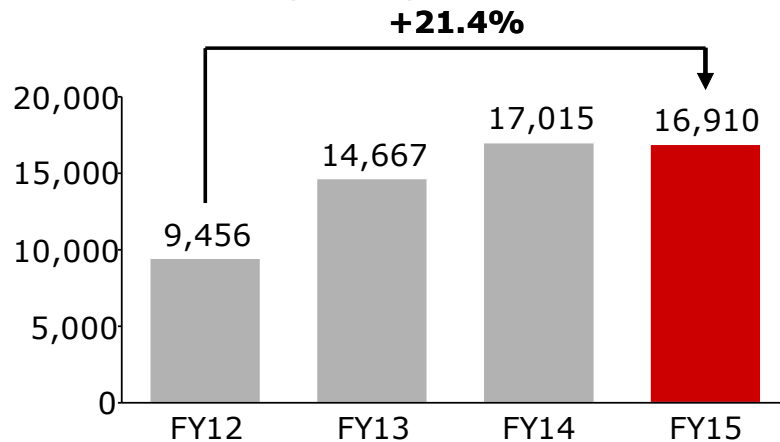


Financial highlights (Q1): Strong revenue and EBITDAR growth in Q1 (YoY) in the last 3 years



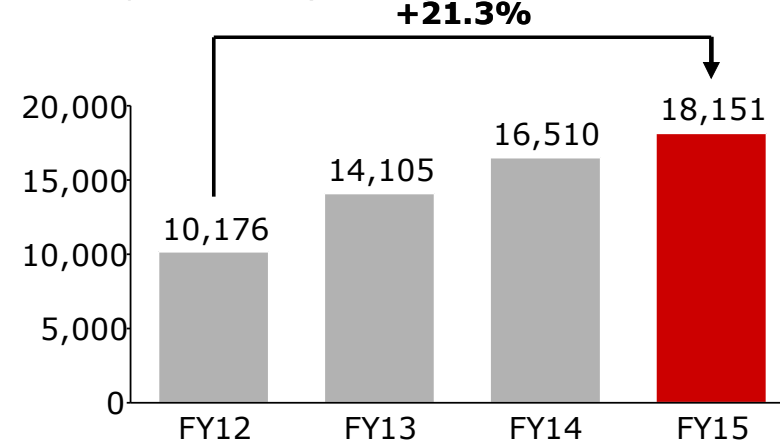
Q1 REVENUE GROWTH CAGR OF ~21% SINCE FY12...

Total Revenue, Q1 (INR Mn)



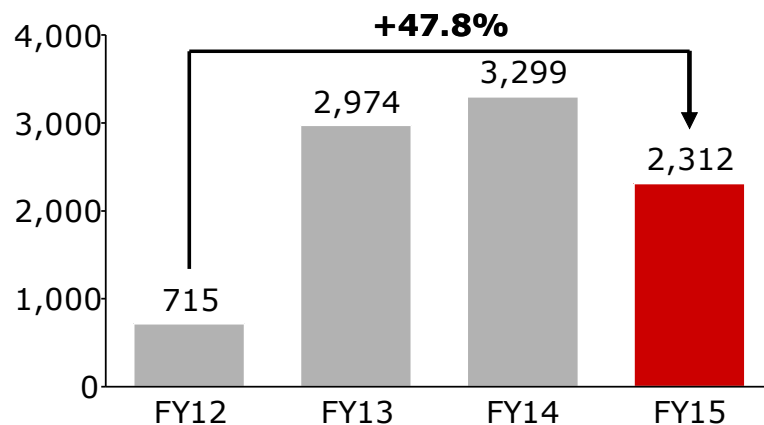
...IN LINE WITH EXPENSES GROWTH

Total Expenses, Q1 (INR Mn)



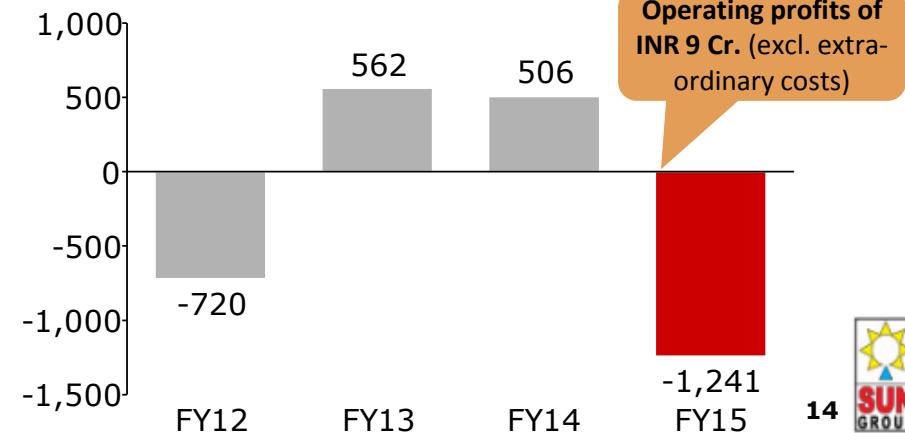
Q1 EBITDAR GROWTH CAGR OF ~48% SINCE FY12

EBITDAR, Q1 (INR Mn)



ALTHOUGH EAT DROPPED IN Q1 FY15, SG MADE AN OPERATING PROFIT OF RS. 9 CR (EXCL. EXTRA-ORDINARY COSTS)

EAT, Q1 (INR Mn)

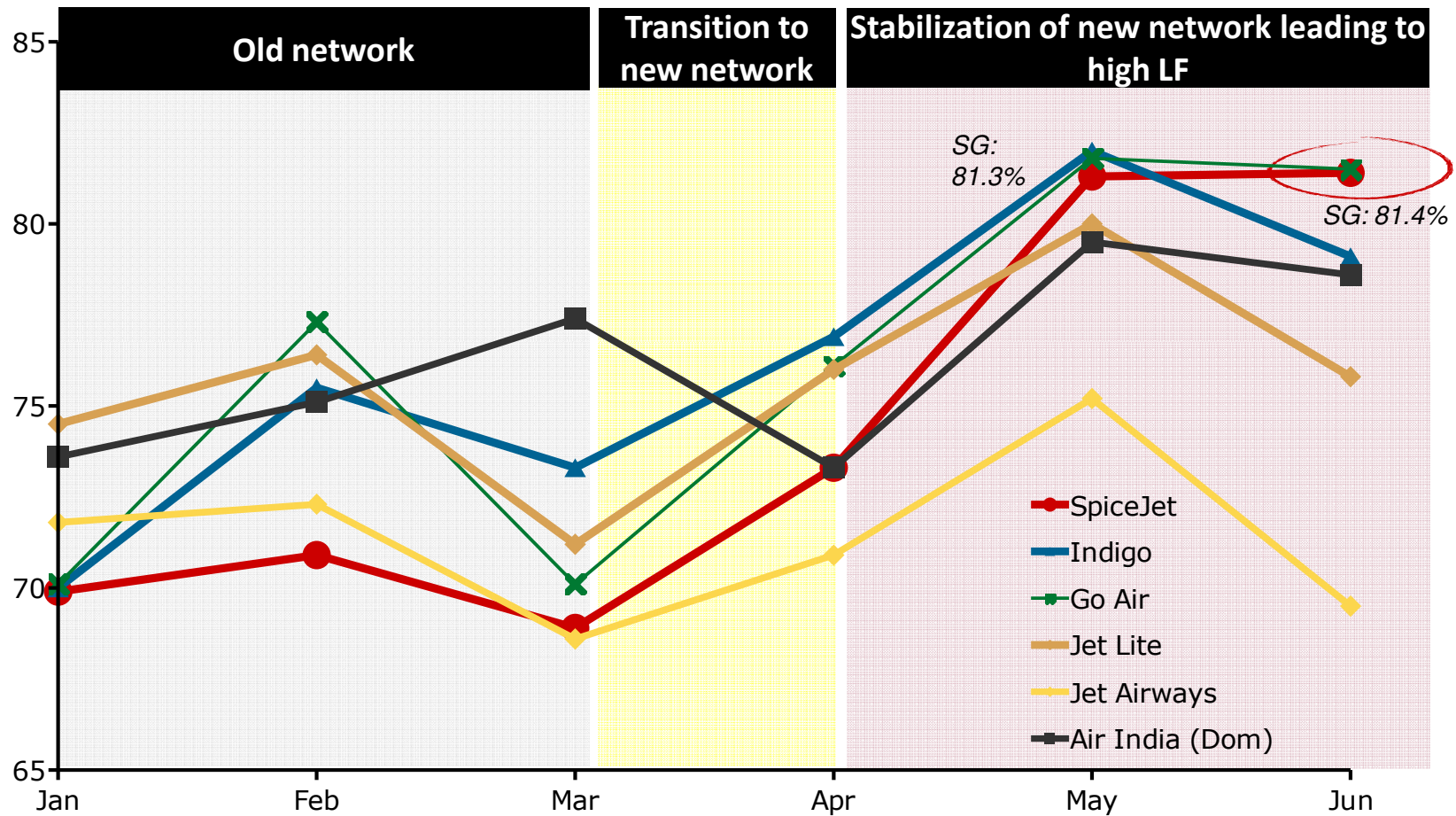


OPERATIONAL METRICS AND RISK

Sharply improving Load Factor is indicative of turnaround plan starting to have effect



Load factor comparison (%), CY2014

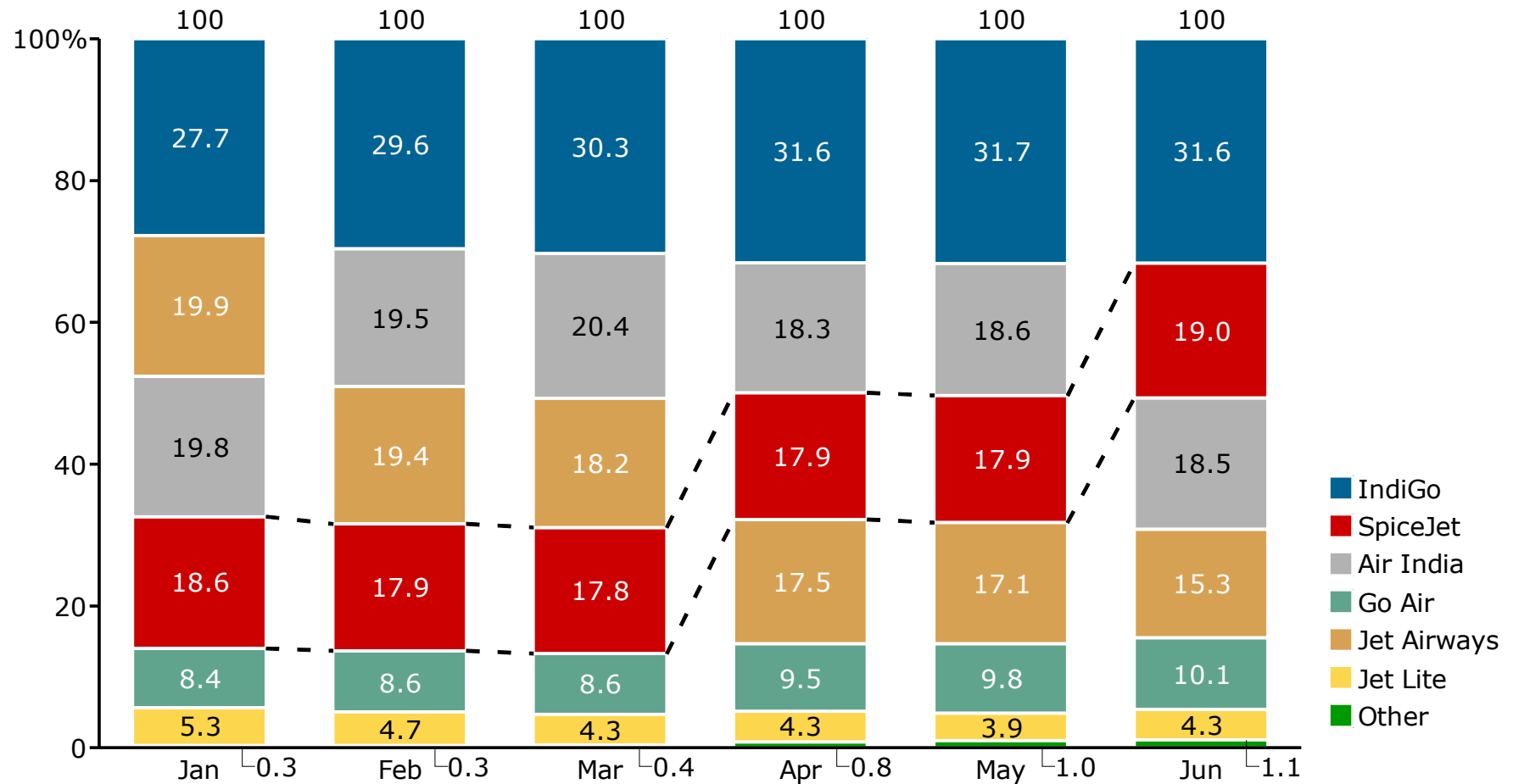


Source: DGCA

Despite reducing fleet by 5 Boeings in March, SpiceJet has become the #2 airline in India by market share, displacing Air India



Market Share (%), CY 2014



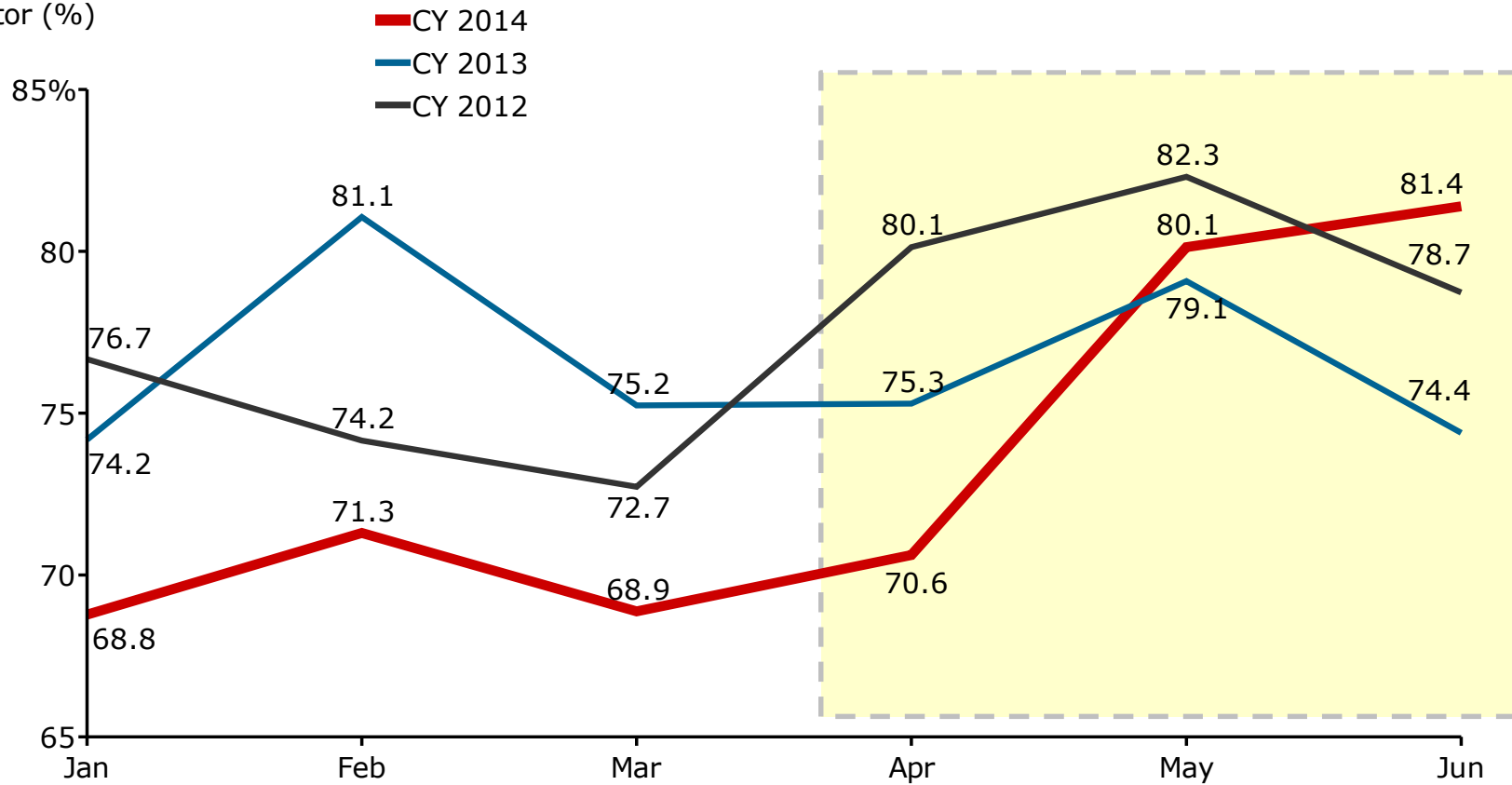
Note: "Other" includes Air Costa from Jan-May and Air Costa + Air Asia for June

Source: DGCA

Load factor achieved in June 2014 reverses seasonal trend where June load factors are typically lower than May



Load Factor (%)



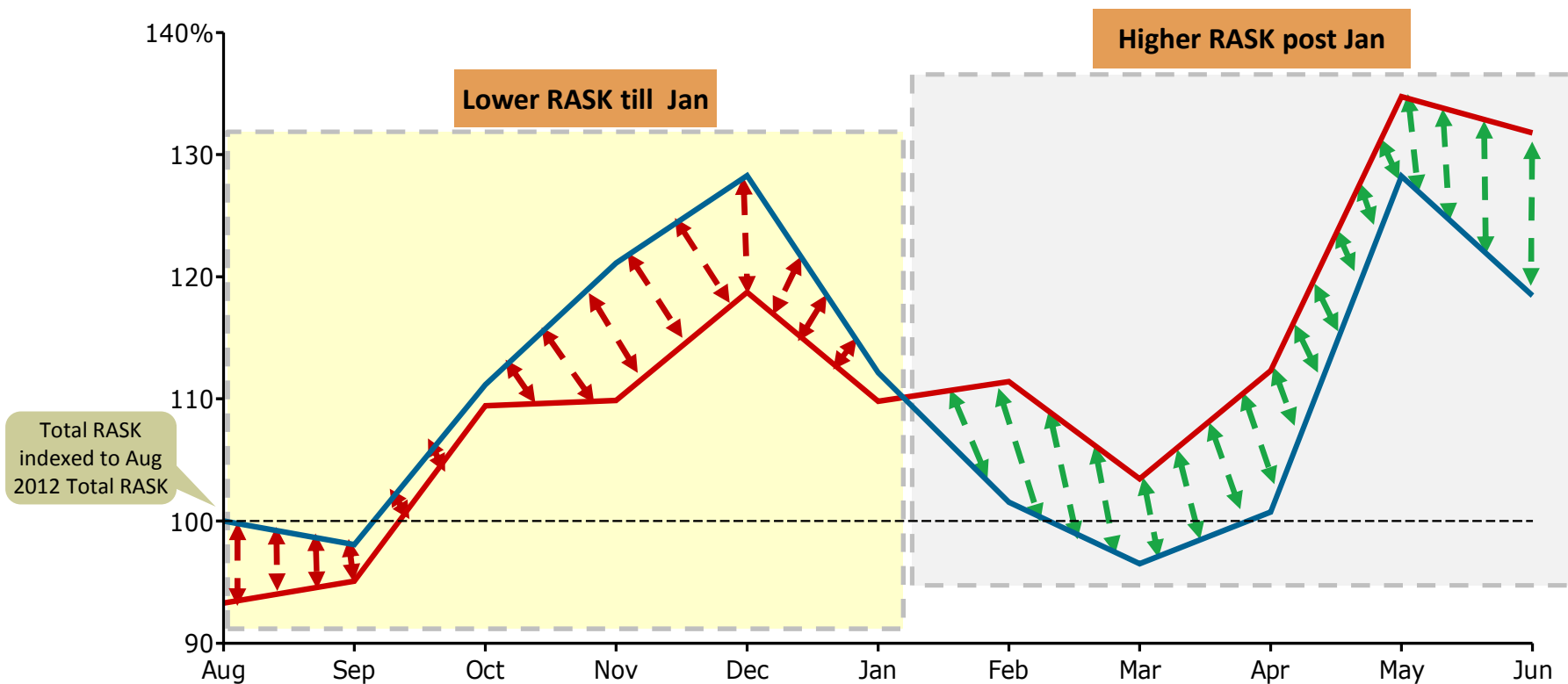
Month	Jan	Feb	Mar	Apr	May	Jun
% increase in LF (CY 2014-7.3% vs. CY 2013)		-12.0%	-8.5%	-6.2%	1.3%	9.4%

Total RASK higher year on year in Feb-Jun 2014 after lagging in Aug 2013-Jan 2014 period



Total RASK Monthly Average - indexed to Aug 2012 Total RASK

— FY 2014-15
— FY 2013-14



Total RASK indexed to Aug 2012 Total RASK

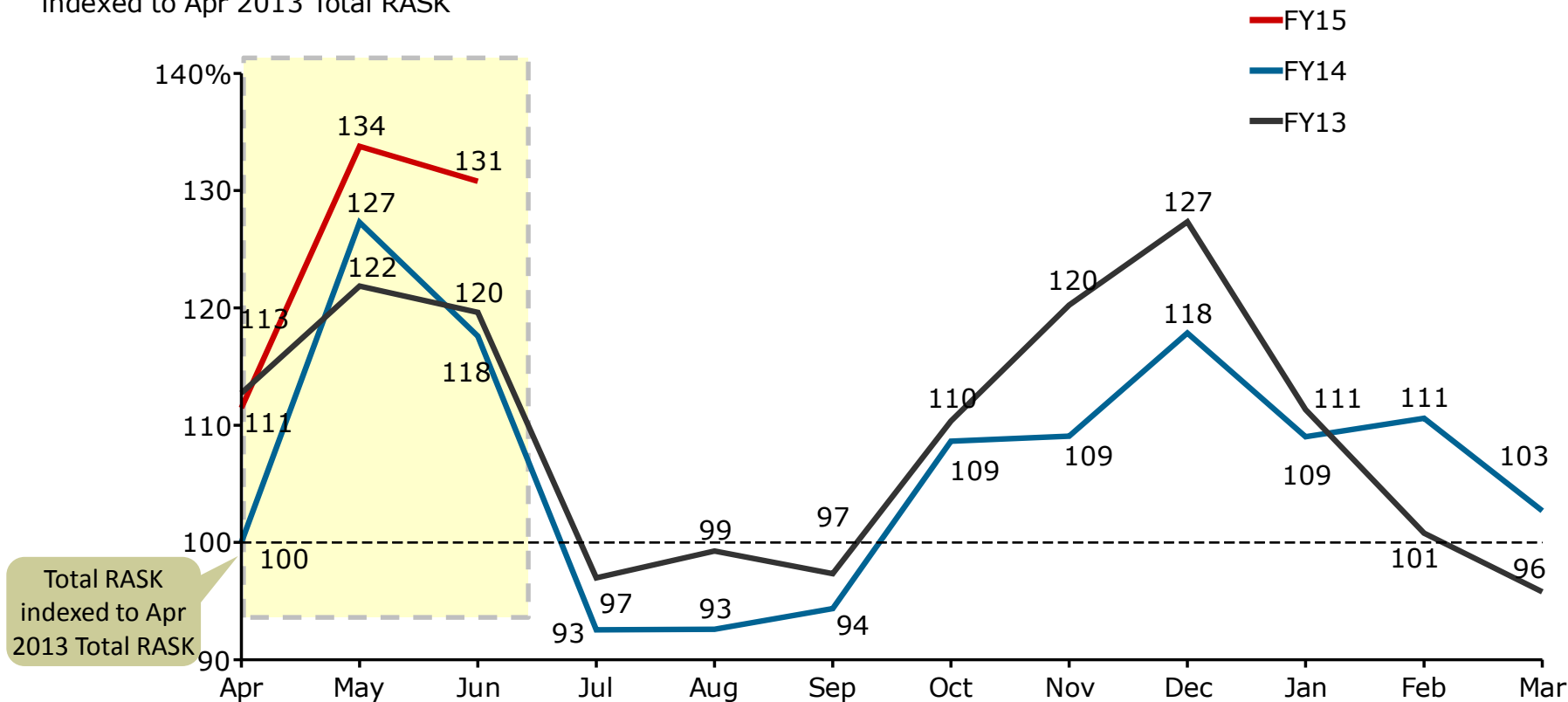
Month	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
% increase in Total RASK (FY 2014-15 vs FY 2013-14)	-9.1%	-3.1%	-1.6%	-9.3%	-7.4%	-2.1%	9.7%	7.2%	11.5%	5.1%	11.2%

Note: Total RASK = Rev./ Total ASK; Rev. = Pax Rev. + Ancillary Rev. from SG operated a/c only and does not include Miscellaneous Rev.;; Total ASK = ASK for SG operated a/c only

Total RASK significantly higher year on year for Q1 FY15 compared to FY14 and FY13



Total RASK Monthly Average - indexed to Apr 2013 Total RASK



Total RASK indexed to Apr 2013 Total RASK

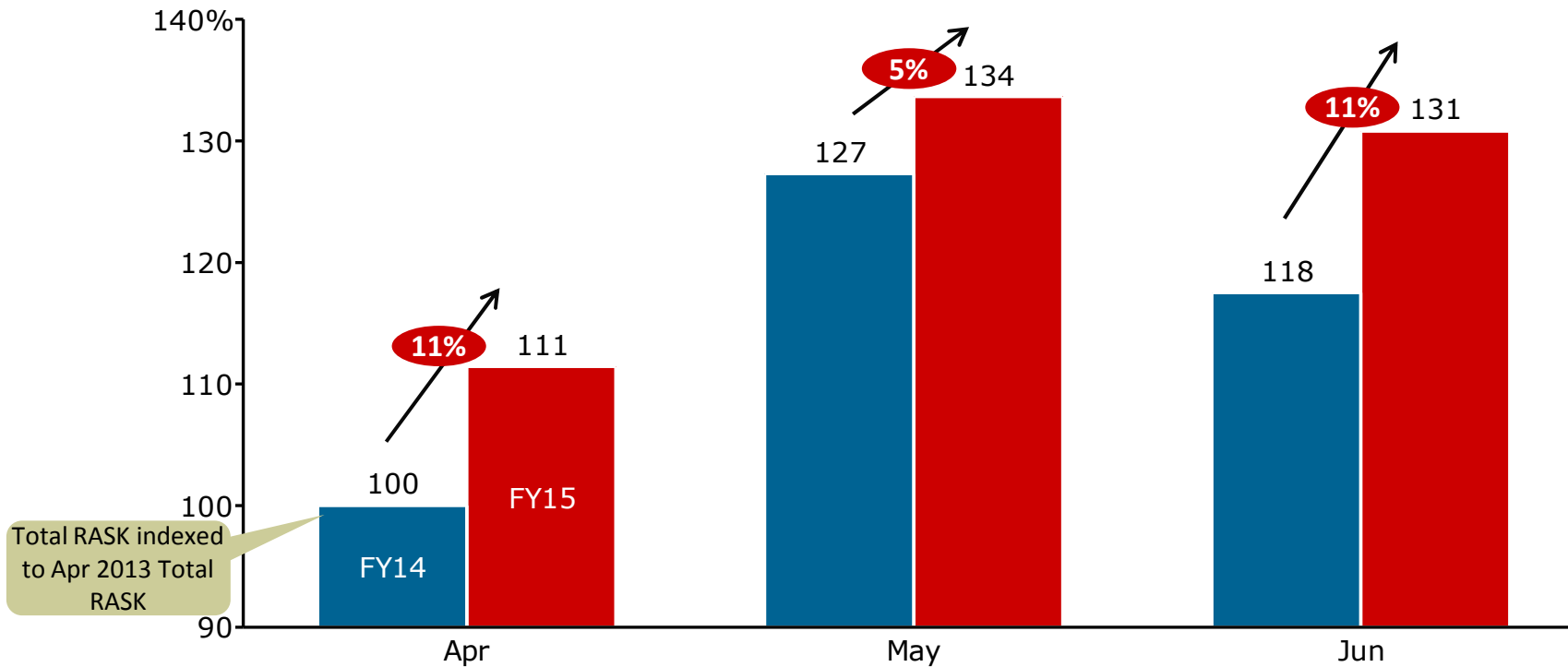
% increase in Total RASK (FY15 vs. FY14)
 11.5% 5.1% 11.2%

Note: Total RASK = Rev./ Total ASK; Rev. = Pax Rev. + Ancillary Rev. from SG operated a/c only and does not include Miscellaneous Rev.; Total ASK = ASK for SG operated a/c only

5-11% improvement in month on month Total RASK for Q1 FY15 vs. FY14



Total RASK - indexed to Apr 2013 Total RASK



Total RASK indexed to Apr 2013 Total RASK

Total ASK (M) (FY15)	1,428	1,417	1,403
Total ASK (M) (FY14)	1,504	1,598	1,533

Note: Total RASK = Rev./ Total ASK; Rev. = Pax Rev. + Ancillary Rev. from SG operated a/c only and does not include Miscellaneous Rev.;
Total ASK = ASK for SG operated a/c only

Among Top 3 Best On-time performers across metros in 2014



JAN'14			FEB'14			MAR'14			APR'14			MAY'14			JUN'14		
Ra nk	Oper ator	OTP (%)	Ra nk	Oper ator	OTP (%)	Ra nk	Oper ator	OTP (%)	Ra nk	Oper ator	OTP (%)	Ra nk	Oper ator	OTP (%)	Ra nk	Oper ator	OTP (%)
1	SG	79.5	1	SG	79.7	1	6E	88.9	1	6E	90.6	1	6E	88.4	1	6E	90.5
2	6E	77.7	2	6E	79.2	2	G8	88.4	2	SG	88.1	2	SG	83.8	2	9W+S 2	84.1
3	9W+S 2	75.5	3	9W+S 2	78.1	3	SG	86.8	3	9W+S 2	84.6	3	9W+S 2	81.7	3	SG	82.4
4	AI	66.4	4	G8	75.2	4	9W+S 2	84.1	4	G8	83.3	4	AI	79.8	4	AI	77.0
5	G8	64.8	5	AI	70.8	5	AI	77.0	5	AI	82.2	5	G8	76.9	5	G8	74.2

**Market leading On-time performance in 2014
 (#1 in Jan-Feb, #2 in Apr-May, #3 in Mar and Jun)**

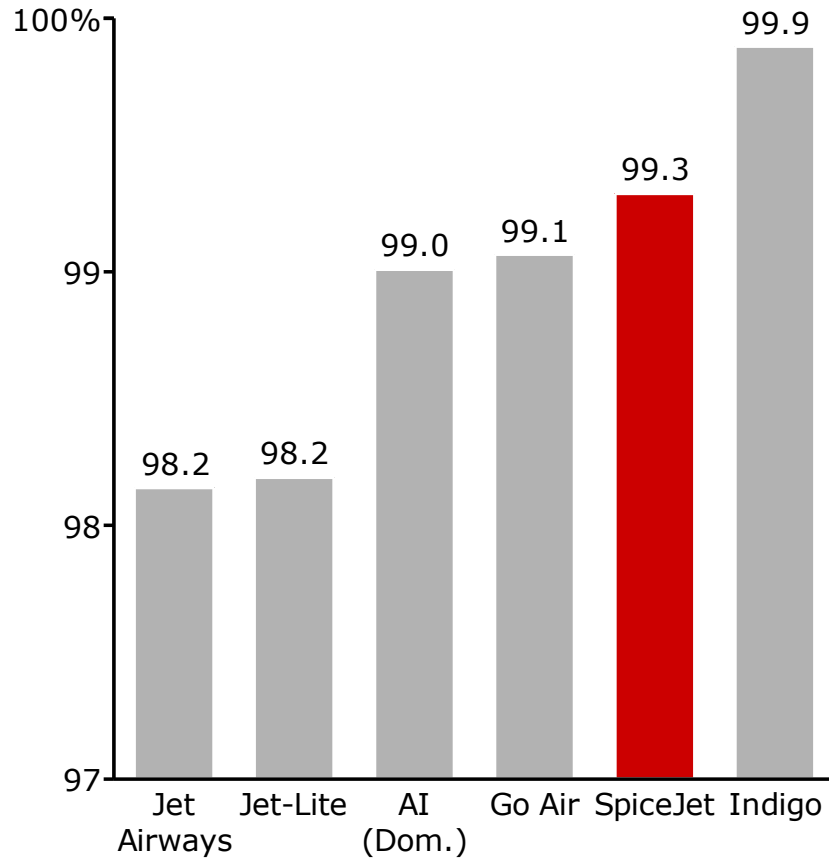
Note : : Data considers all flights operating out of 4 metros
 Source: DGCA

Completion Factor and Customer Complaint rate are 2nd best in the industry



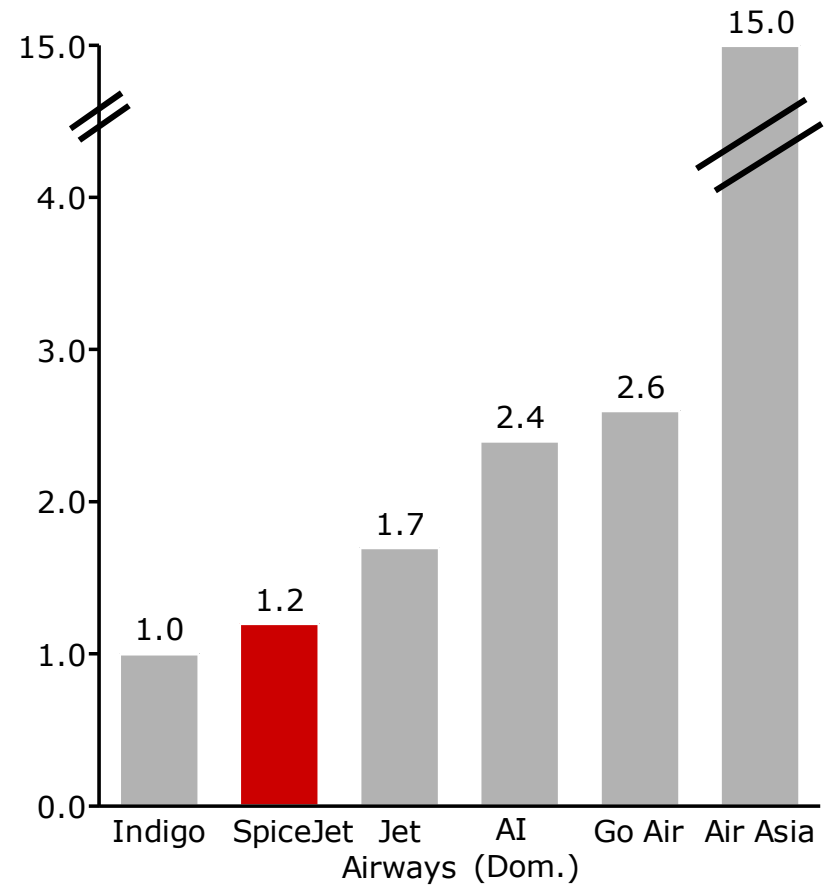
2ND HIGHEST FLIGHT COMPLETION FACTOR IN JUNE...

Flight Completion factor, June (%)



...ALONG WITH 2ND LOWEST NUMBER OF CUSTOMER COMPLAINTS

of complaints per 10,000 pax, June



Source: DGCA



Fleet size of 53 with the average age of 4.2 yrs



Aircraft	In Fleet	Average age
Boeing 737-800	32	4.66
Boeing 737-900	6	5.68
Bombardier Q400	15	2.72
Total	53	4.23

All Boeing 737 on operating lease and Bombardier Q400 on financial lease