



Jet Airways

3QFY12 EARNINGS CONFERENCE CALL

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Moderator

Ladies and Gentlemen, good day and welcome to the Jet Airways conference call to discuss the Q3 FY12 results hosted by Tata Securities Ltd. As a reminder for the duration of this conference, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions at the end of the day's presentation. If you should need assistance during this conference call, please signal an operator by pressing * and then 0 on your touchtone telephone. Please note that this conference is being recorded. At this time I would like to hand the conference over to Mr. Pratik Bavishi. Thank you and over to you Sir.

Pratik Bavishi

Thank you. Good afternoon everyone, on behalf of Tata Securities let me welcome you all to Q3 FY12 Earnings call of Jet Airways India Ltd. Today we have with us Mr. Sudheer Raghavan – Chief Commercial Officer, Mr. M. Shiv Kumar – Vice President, Finance and Mr. Vishwanath who is a V.P. Commercial Studies and Investor Relations. Without any further ado, let me handover the call to Mr. KG Vishwanath to his opening remarks. Over to you Sir.

KG Vishwanath

Ladies and Gentlemen my name is K. G. Vishwanath. Welcome to Jet Airways third quarter results call. I have with me today, Mr. Sudheer Raghavan our CCO and M. Shiv Kumar, our Sr.VP Finance. We will first go through the highlights of the results for Jet Airways and JetLite and then get to Q&A thereafter. I hope all of you would have seen both the presentation we have put up on our website as well as the results press release that we have issued. Let me take you through the key highlights and the Industry scenario after which I will take you through the detailed performance. The Indian domestic operating environment has been extremely challenging over the last few quarters because of a demand supply imbalance, which led to a difficult pricing environment. Added to this, we had the depreciation of the Indian Rupee vis a vis other currencies, which had an impact on operating costs, including Fuel. The domestic traffic continues to grow at a healthy pace and for Q3 FY12, it grew by 12% as compared to Q3 FY 2011. Jet Group continues to maintain its leadership position in the Indian aviation industry with the highest market share of 26.5% for quarter ended December 2011. For the month of December, our market share was 27.6%.

Our international operations also were plagued by high operating costs, which we were not able to pass on fully. We continue to achieve high seat factors and healthy operating margins in the International business.

For the quarter, we achieved a seat factor of 77.8% for Jet Airways and 78.6% for JetLite.

Our overall EBITDAR Margins were 5.3% and 8.8% respectively for Jet Airways and JetLite in Q3 FY12, which collapsed sharply versus 24.3% and 22.4% respectively in Q3 FY11. This is

mainly due to a steep increase in the fuel rates and Rupee vis-à-vis US Dollar depreciation compared to last year.

Moving to the operational highlights for Jet Airways;

We achieved a system wide seat factor of 77.8% versus 79.3% in the same period a year ago.

Overall yields, as measured by revenue per revenue passenger kilometer, were Rs.4.06 as compared to Rs. 3.92 in the same period a year ago, up by 3.8% whilst fuel rates increased by close to 40% as compared to one year ago. As compared to the previous quarter, our yields went up by 2.9% due to fare and surcharge increases that we undertook in November 2011. The full impact of the fare increases will be visible in the current quarter. During the quarter, our domestic capacity, as measured by ASKMs, increased by 14.0% and International capacity increased by 11.8% as compared to Q3 last year.

As a whole, Jet Airways showed loss after tax of Rs. -1,012 million (US\$ -19.1 million). This compares to a Profit of Rs. 1,182 million (US\$ 26.4 million) for the same period last year.

The breakdown of this number shows a loss of Rs. -405 million (US\$-7.60 mio) for the domestic business and a loss of Rs. -607 million (US\$ -11.4 mio) on the International operations for Q3 FY12. As against this, we had a profit of Rs. 162 million (US\$ 3.6 mio) for the domestic business and a profit of Rs. 1,020 million (US\$ 22.8 mio) for International operations for Q3 FY11.

The key operating highlights for the quarter in the case of JetLite are as under:

Revenues for the period were Rs. 5,329 million (US\$ 100.4 mio) as compared to Rs. 4,865 (US\$ 108.8 mio), while the loss after tax for the quarter was Rs. -216 million (US\$ -4.1 mio) as compared to a profit of Rs.256 million or (US\$ 5.7 mio) for Q3 FY11.

Despite, Q3 being traditionally the strongest quarter, high fuel prices and continued depreciation of the Indian Rupee have impacted the operating results. However, yield improvement and other cost reduction initiatives during the quarter has helped the airline to post an operating profit. of Rs. 2,099 million for Q3 FY 2012.

The overall Fuel costs for the quarter were 40.7% of the total costs versus 34.2% in Q3 FY 2011. The absolute increase in fuel costs for Jet Airways & JetLite for the quarter was Rs. 7,515 Million (US \$ 121.5) as compared to the same period last year.

To explain in detail, let me begin with Domestic Operations:

The share of our Domestic revenues to total revenues is 45% for the quarter.

Jet Airways' achieved a load factor of 75.2% for the quarter while JetLite achieved a load factor of 78.6%.

Overall revenues for the domestic business went up from Rs. 15,718 million to Rs. 17,811 an increase of 13.3%. As against this, Fuel expenses went up from Rs. 4,566 million to Rs.7,136 million during this guarter, an increase of 56.3%

The average fuel rate in Q3 for our domestic operations was Rs 61.24 per litre, which was higher than Q3 FY11 rates by 39%.

The domestic capacity of Jet Airways (as measured by ASKMs) for Q3 FY12 was higher by 14.1% as compared to the same period a year ago.

The EBITDAR margins in the domestic operations was 1.9% for Q3 FY12 versus 22.7% for Q3 FY11.

Moving to international:

The share of International total revenues to total revenues is 55% for the quarter. The average seat factors for key International routes for Q3 were as under:

USA routes were 82.0%, UK routes were 84.0%, ASEAN routes were 79.5%, Gulf routes were 73.4%, SAARC routes were 76.8%, Africa route was 78.2%, Italy route was 77.0%, The EBITDAR margin on the international operations was 8.1% for Q3 FY12 versus 25.6% for Q3 FY11.

Our international operations as a whole showed a pre-tax loss of Rs. -607 million (US\$ -11.4 mio) versus a pretax profit of Rs. 1,020 million (US\$ 22.8 million) for the same period last year.

During the quarter, we had certain exceptional items, which impacted the results. They included a foreign currency gain of Rs. 1,790 million which came about because, in the previous quarter, we had charged off losses on account of forex loans which were not asset backed to the Profit and Loss. The same is now being amortized over the balance period of the loan and consequently, we have written back this amount.

We also received Rs. 5 billion from the BKC transaction, which was used to repay the underlying loan of Rs. 365 crores. We have credited an amount of Rs. 1029 million to the profit and loss account for the quarter.

During the quarter, we sold and leased back 5 engines which were on our books and consequently, we had a profit on such Sale and Lease back of Rs, 761 million.

Let me now spend a moment to update you on the JetLite operations:

The operating results of JetLite for the quarter are as under:

Achieved seat factor of 78.6% (vs. 82.6% for Q3 FY11)

Revenues of Rs. 5,329 million (US\$ 100.4 million) vs. Rs.4,865 million (US\$ 108.8 million) in Q3 FY11

As compared to the previous quarter, our yields went up by 19.2% due to fare and surcharge increases that we undertook in November 2011.

EBITDAR of Rs. 467 million (US\$ 8.8) million in Q3 FY12 versus Rs. 1,080 Million (US\$ 24.2 million) in Q3 FY11.

Loss before tax Rs. -216 million (US\$ -4.1 million) vs. Profit before tax of Rs. 256 million (US\$ 5.7 million) in Q3 FY11

Turning to the current quarter and outlook:

The Indian domestic market will continue to grow at a rate of 12 to 15% in the short to medium term. The capacity induction in the market has slowed down thereby giving considerable scope for airlines to push for higher yields and we saw some semblance of this from November 2011. ATF Prices and rupee depreciation vis-a- vis US dollar continues to be a cause of concern for the short term. Q4 passenger bookings show encouraging trends, however it will reflect some seasonality.

The weakening of the Indian Rupee vis a vis the US Dollar has had an impact on the US Dollar related costs including for the ATF that we uplift out of India because the same is priced in USD. Though we have a natural hedge in terms of our US Dollar earnings to a big extent, we are still impacted because of the same and this is largely uncontrollable in the short term. Consequently, many of the cost line items have a currency impact embedded in it.

We are continuing to see a steady increase in our corporate and business class bookings over the last few weeks, given what has been happening in the industry and with competition. We are not seeing any major slowdown in our international bookings into and out of Europe and North America.

Our International operations continue to achieve seat factor of around 80% even in a troubled financial environment in the west.

Our relentless focus on cost cutting measures through contract renegotiations, process improvements and improving ancillary revenues is helping the airline to remain competitive and this should augur well for the future

We hope to complete the transition from JetLite to Jet Konnect during this quarter, which will enable us to consolidate our market leadership position with two strong brands

Our funds raising initiatives are well on track. We have realized monies from the BKC deal as well as through Sale and Lease back of engines in Q3.

Going forward, we expect to complete the Sale and Lease back of some of our B737 aircraft during the fourth quarter which will not only help us pay off high costing Rupee debt but also in paying off some working capital loans from the surplus cash that we will generate.

Let me know take you through the details of our funds position

Our cash position as at December was at Rs.5.0 billion. US\$ 94.5 Million

On balance sheet date, debt was Rs. 139 billion. US\$ 2.6 billion, while Shareholders funds were Rs. 16.3 billion US\$ 307 million.

The average cost of Debt for Jet airways is around 6%.

Ladies and gentlemen, let me now open the call to questions.

Moderator

Thank you very much. We will now begin with the question and answer session. The first question is from the line of Mr. Jabir Sethi, CLSA. Please go ahead.

Jaibir Sethi

Good afternoon, Thanks for taking my question. A couple of things that I want to understand from you? Sir, what is your view on the level of capacity additions that we will see in the domestic market in 2012? And second on the quarter results there seems to have been a sharp increase in other operative expenses in both the domestic and international businesses, just wanted to understand what drove this?

KG Vishwanath

Okay. I will take the first question and let Shiv take the second question. In terms of capacity addition there are two or three moving piece at this point of time. From Jet standpoint we know that our capacity induction is going to be very very sedate, and at best only a 5% increase is what we are planning for the capacity and it is largely because we have got certain lease expiries which at this point in time we have not finalized whether to extend them. Closer to the lease expiries when, we will take a call depending on what is happening in the industry. On the part of Kingfisher and Air India we know very clearly that there is going to be no capacity addition, if anything there is going to be reduction in capacity. In so far as both Indigo and Spice are concerned we know that there are certain deliveries which has been lined up for both of these carriers, what we do not know is how much of this capacity is going to be used on international routes and also how many of these are going to be replacements for their existing leased aircraft which come up for renewal in 2012 and the first quarter of 2013. If you ask us what our view is in terms of where the capacity growth will be, I would say that number is anywhere between -5 to +5, I know it is a very big range but the point that I am trying to make its capacity addition is not going to be a cause of concern over the next 12-15 months.

M. Shiv Kumar

You had asked why there is a substantial increase in the operating costs. Mainly there are two costs, one is increase in landing and parking charges on account of increase in operations about Rs. 50 crores and "other costs" line item includes Rs. 112 crores Forex realize loss. This is more to do with the fact that those loans which we had converted from rupee to dollar, we had to repay at a higher rate and that had to be excluded out of the P&L as per the new policy guidelines . Arising out of this, we have taken credit of Rs. 179 crores in the P&L , what we are carrying forward in the balance sheet is 278 crores . This entire amount is priced @ 1 USD = INR 53.10 . Had it been @ 47.25 the entire 278 will get wiped out. While we are talking, 1 USD = INR 50.32, 135 crores out of 278 crores have already got reversed.

KG Vishwanath

So there is one more reason why the operating instruments have gone up, it contains aircraft maintenance and other dollar related costs, and you know that the rupee one year ago was 15% cheaper vis-à-vis the dollar as compared to what it is today. So there is a currency impact also which is embedded into the other operating costs.

Jaibir Sethi

Thanks for that, I will come back later with more questions.

Moderator

Next question is from the line of Jasdeep Walia from Kotak.

Jasdeep Walia

Hi, my question is in the international business if you see in the current quarter the profitability has declined sequentially, I am comparing it to second quarter. Now if I see the

seasonal trend right from fiscal year '09, in third-quarter you use to maintain the profitability level of second-quarter. Which suggests a weakening business environment for your international business, if at all I'm correct could you highlight the reasons for the same?

KG Vishwanath

If you look at the last three quarters, the fuel rates for the international business, fuel rate in the first quarter was Rs.41 to a litre, it stayed at Rs. 41 for quarter two and in quarter three it was @ Rs. 45 per litre. We were not able to pass on all of that impact to the consumer in the form of higher fare. So despite the fact that we were able to maintain higher load factors we were not able to pass on the entire fuel cost impact as well as the dollar impact to the customers. This is the major reason why the international business numbers are where they are.

Jasdeep Walia

What percentage of your Revenue are in dollar terms?

KG Vishwanath

Around 45% of my international revenues come in dollars. We sell a lot out of India.

Jasdeep Walia

Ok fine. Okay thank you. That is all.

Moderator

Thank you, the next question is from the line of Mahantesh S from Fortune Equity, please go ahead.

Mahantesh S.

Good afternoon everyone, just wanted to understand your capacity addition plan into the next year. What kind of orders that you have backlogged with Boeing.

KG Vishwanath

With Boeing we have close to 20-29 B737 aircraft orders (including Jetlite) between FY 2013 and FY 2016. Now all of these orders are not going to be net adds largely because as you know, ours is largely a leased model as compared to an ownership model. Out of the hundred aircraft that we have 60 aircrafts are leased and only 40 are owned. So most of these airplanes will get replaced and lease returned over the next three or four years. In terms of our net-net capacity adds as I mentioned earlier on the call, FY 13 will largely remain flat and we might go as much as 5% capacity addition with a bit of luck and that is something which we have not finalized, largely because we want to wait and see closer to the lease expiries whether to extend them or not.

Mahantesh S.

You also had some wide-bodied aircraft orders pending with Boeing?

KG Vishwanath

Yes, we have roughly 10 787 orders in book. They will kick in FY 2014 and we had two 777 orders which we have now converted into six 7 737 orders starting from 2016 onwards. Other than that, we don't have any wide body firm orders at this point in time.

Mahantesh S. Okay, just another question - you mentioned about Jet Konnect and Jet Lite being merged

together, so will it be just a brand sort of merger or will it be a balance sheet merger that

you are looking at?

KG Vishwanath The initial plan is purely a brand merger. Jetlite will be the brand that will cease to exist. This

should happen by April-May.

Mahantesh S. And the balance sheet merger would be JetLite coming into Jet or will it be a demerger of Jet

Konnect into JetLite?

KG Vishwanath It is too early for us to make any statement on that.

Mahantesh S. Okay, thank you, thanks for answering my questions.

Moderator Thank you. The next question is from the line of Manav Vijay from Edelweiss, please go

ahead.

Manav Vijay Hi, just I should say couple of questions from side. First of all whatever yield rise that we

took in quarter three, what is the experience so far that we had for this quarter, the yields

are still holding up or are they giving away due to the seasonal factor?

KG Vishwanath Okay. Before I answer that question, I also wanted to add that in the third quarter we changed

certain routes in terms of sector land, so we actually pulled out of certain long haul markets in the domestic business and introduced more of short haul market, that's one reason why we are not seeing yield improvement in terms of yield per passenger or even yield per RPK to very

large extent. Having said that we also had instances where competition had pre-sold quite a lot of their dead seats to online travel agents and most of these tickets were being dumped in

the market given the uncertainty of flying one of our competitions that ensured that prices were kept under check. A lot of that has changed beginning of January, we are actually seeing

yields at a much better level as compared to what we had in quarter 3 and we expect that

February also at this point in time led a very strong month. We believe that we close in the

month of February at 80% low factor for domestic at a very-very good yield.

Manav Vijay So sir the kind of 75 or 76% load factor that we had in domestic in quarter 3, we should be in

a pressure to bypass that number?

KG Vishwanath Yes, we will be.

Manav Vijay Okay and you said that yields are still holding up and likelihood of them holding up are quite

high?

KG Vishwanath Yeah correct.

Manav Vijay Okay. Now there are certain new items I should say week's back that 2 or 3 planes of JetLite

have been replaced with actually Airbus and so I believe that right now we have the entire

fleet as Boeing.

Shiv Kumar We only have a Boeing fleet for JetLite and there is nothing to do with Airbus at this point in

time.

KG Vishwanath See these type of confusions comes about when we have domestic operations out of wide

body which normally we do from between Delhi and Bombay as part of rotation, so that's also

not in JetLite.

Manav Vijay Okay and we don't intend to add capacity in JetLite as well?

KG Vishwanath No, we do. So the JetLite is one business where after the brand merger we expect the brand

value as well as the potential to charge higher revenues out of JetLite. So we will be focusing a

lot in terms of our Jet Konnect business in to JetLite or S2 which is the operating permit today.

Manav Vijay Okay. One last question regard to Spice Jet ATRs, I mean Spice Jet have not recently

aggressive in terms of launching the regional aircrafts and regional services. Now what I understand of normally ATR is that normally these routes are actually are under served and $\frac{1}{2}$

they are overpriced, post Spice Jet starting the service, have you seen any kind of pressure on

your business it be in terms of load factor or in terms of yield?

KG Vishwanath No, we haven't. We have actually seen the ATR performance pretty consistent and even today

the ATR routes for us are profitable. In the ATR market we not only carry normal traffic but also carry a lot of connecting traffic to other points in domestic as well as our international sectors in India. So ATR is typically characterized by a very high level of seat factor and those

operations have been consistently profitable.

Manav Vijay Okay. So spice-jet hasn't been able to make any kind of dent in your profitability or market

shares?

KG Vishwanath We haven't seen it.

Manav Vijay Okay. Thank you and if any question I will come back in the queue. Thank you.

Moderator Thank you very much. The next question is from the line of Mr. Nilesh Shetty from Quantum

AMC. Please go ahead.

Nilesh Shetty Yeah, hi. I just wanted some capitation on the debt, so if you could just let us know what will

be the movement you started of the year at about 13,480 crores. How much of the debt you

repaid and how much is the current debt number because of the impact of rupee-dollar.

M. Shiv Kumar Yeah, Shiv Kumar here. We had opening debt of 13,680 crores, on 31st December we have

1,479 which shows an increase of 399 cores, all these increases are mainly due to rupee

depreciation, so if you remove the rupee depreciation impact, we repaid 1067 crores in the

current 9 month period ended 31st December.

Nilesh Shetty And the repayment is finally of the high cost working capital debt or?

M. Shiv Kumar It includes the high cost working capital debt and also the BKC loan that we repaid.

Nilesh ShettyOkay and out of the current debt what would be the split between the airline debt and working

capital debt?

M. Shiv Kumar Aircraft related debt is around 8400 crores. Rest is working capital and term loans.

Nilesh Shetty Okay and just one follow up question on the early question regarding the international

business, now even last year when the environment was pretty bad we were clocking margins of mid 20's and business seems to be getting worst progressively, so are there some new

entrants in the business which are putting pressure on yields or what is changed dramatically?

M. Shiv Kumar Primarily fuel cost and rate of exchange.

Nilesh Shetty So, why are you not able to pass the increase in cost?

KG Vishwanath In the international business ,you know in every market there are 2 or 3 carriers who typically

take the lead to increase fares. Now this time around given what is happening in Europe and U.S. we have not seen the European and the U.S. carriers increasing their fares on account of which, it was difficult for us to take the lead and increase fare out of Europe and U.S. So we managed to only increase fares for point of sale India. Point of sale Europe, U.K. and U.S.

were not able to increase fare largely because of competitive activity.

Nilesh Shetty Okay, thank you.

Moderator Thank you. The next question is from the line of Manav Vijay from Edelweiss. Please go ahead.

Manav Vijay There is a couple of follow up questions. The proposed emission tax by European I believe it

supposed to go on line from 1st of January. What is the stance that you guys have taken or let

us say have been told to take by Government of India.

KG Vishwanath

We have been told by the government of India not to respond directly to the EU and whatever response has to be given or whatever correspondence or communication has to happen will happen through our government. So at this point of time we are not directly in communicate with the EU authorities on this.

Manay Vijay

Okay, so let's say if this tax were to come as proposed with our current set of operations what kind of pay out can we expect or let's say should we expect in FY13?

M. Shiv Kumar

It could be anywhere with between €3.5 million to €4 million, at best can take \$5 million per annum.

KG Vishwanath

To add what Shiv said, i.e. our incremental costs of buying credit will be around \$3.5 to \$4 million but let's not forget that given the pressures that the European carriers are in, the fares will go up because the surcharge will get imposed. So we actually suspect that the increment ease that we will get will more than compensate for the incremental cost that we have.

M. Shiv Kumar

Just to confirm that this is with respect to landing at London and Bristol, this is not over flying. So we are talking about actual landing and taking off and whatever credit they have given based on the last year's level of flying.

Manav Vijay

So let's say if you were to take just \$5 million and we are talking about not more than say 25 crores, some media reports that this number for Jet could be as high as 250 crores is that number?

KG Vishwanath

It's incorrect.

Manav Vijay

Okay. Just last question of sale and lease back, we have been talking about this point for quite some time but do you believe that in this quarter we should have been in position to close at least 10 737?

KG Vishwanath

The problem is not about doing this deal; problem is getting the right price for the deal and at the same time trying to find out if we have exhausted all the remedies before going in for that. So we did or the Engines and BKC in the last quarter. In this quarter we will do aircrafts.

Manav Vijay

Sir, during quarter 3 we did sell really 5 engines that is all mentioned during the call, right, how many engines do we have more less if we intent to go ahead with more engines and not with planes?

KG Vishwanath

No, we were not doing any more sale and lease back of engines. We are doing only aircrafts now.

Manav Vijay so we will look forward for around 10 737?

KG Vishwanath Yeah. We are looking at cash surplus of roughly \$ 10 million per plane, post paying the debt

corresponding to the aircraft.

Manav Vijay Okay. Thank you sir

Moderator Thank you. The next question is from the line of Pravin. S from Batlivala and Karani Securities,

please go ahead.

Pravin S. This is regarding the BKC land, this time we have incurred 1 billion for this guarter, so this

development is in joint development over the land. So I just wanted to know what cost

associated with that and when that will start?

M. Shiv Kumar We had holding cost of about 500 crores which we got from the developer. Out of 500 crores,

whatever was carried in the asset will continue to be carried and whatever was the expense out of the P&L is reversed. This was around 107 crores and now that is out of our systems from cost perspective, all future cost incurrence will be with Godrej completely and we will get our space after about 3-3.5 years. This space is about 2.5 lakhs square feet of space. As per the arrangement, virtually depending upon to what price the balance 7.5 lakh square feet

would get sold, we should be able to get it at free of cost, which means we will be effectively

saving about 40 crores on account of rental after 3 year period when we shift there.

Moderator Thank you. The next question is from the line of Jaibir Sethi from CLSA, please go ahead.

Jaibir Sethi I have couple of questions. One what was the cash in-flow from the engine sale and lease

back during the quarter?

M. Shiv Kumar Cash inflow is about 220 crores.

Jaibir Sethi Second sir, there has been a fair bit of increase in low cost carriers out of India flying to

nearby international location, so the Gulf or ASEAN, so have you noticed any pressure

particularly on economy yields from this increase?

KG Vishwanath To some extent yes, we have. We believe that this introductory pricing from Indigo has

brought down the overall fare levels to some extent but having said that we also know that now they have started up selling because we don't believe they are able to make profit at the kind of fare they are charging, so we are seeing yield starting to go up in the Gulf and the

neighboring countries as well. This process started somewhere in end of December.

Jaibir Sethi Okay, so that's all from my side. Thanks a lot.

Moderator Thank you. The next question is from the line of Anand Kumar from DSP Merrill Lynch. Please

go ahead.

Anand Kumar The data sheet which the company publishes has an item other income apart from the

passenger revenues, fuel surcharge, cargo revenues, etc., there is other income item which

has around 80 crores for domestic and around 64 crores for the international operations.

KG Vishwanath These are basically from the sale of stimulator time and other ancillary bits.

Anand Kumar Okay, thanks. That's all from my side.

Moderator Thank you. The next question is from the line of Mr. Mahantesh S from Fortune Equity. Please

go ahead.

Mahantesh S. Thank you for taking my question once again. I wanted a clarification on the domestic yield

that you mentioned in this month of January and your expectation of February, am I right in interpreting you said that it could be better than the Q3 average of 5.66 or something that you

got as rupee per RPKM.

KG Vishwanath Yeah, so Mahantesh we are now looking at yields more from a revenue per ASKM basis and as

I mentioned to you in February despite being a not so good month we expect to touch close to 80% of my seat factor standpoint. So overall our revenue performance for the quarter is expected to be much better and January at this point of time yield per RPKM is looking much

better than what it was in guarter 3.

Mahantesh S. Okay, thanks for that clarification and just for my understanding once again, you mentioned

that of the overall fleet of 100 aircraft that you have, roughly 40 are owned and you expect to do more sale and lease back. So 40 will come down let's say by another 3 or 4 aircrafts by the

time it's quarter 4.

KG Vishwanath We expect to do much more than 3 to 4, we will be doing 9 to 10 in this quarter.

Mahantesh S. So then your total size will be actually fall down to, owned aircraft size will fall down to 30

aircrafts or something.

KG Vishwanath Yeah.

Mahantesh S. And what would be the debt corresponding to those 30 aircrafts then likely to be? Say 40 is

about 8000 odd crores right?

M. Shiv Kumar The 9 to 10 aircraft which we contemplate to do in this quarter will bring down the debt by

around 670 crores.

Mahantesh S. That's a very small amount actually.

M. Shiv Kumar Yeah, but this is only 10 aircraft, the 40 aircraft consists of 22 wide bodies, so most of the

values are all relating to wide bodies which we carry today.

Mahantesh S. Okay. Thanks for answering my question.

Moderator Thank you. As there are no further questions I would now like to hand the conference over to

Mr. Pratik Bavishi for closing comments.

Pratik Bavishi Thank you. On behalf of Tata Securities I would like to thank the senior management of Jet

Airways India Limited and also all the participants of this call for taking your time out and

understand more about the Airline Industry and Jet Airways in particular. Thank you all.

Moderator Thank you very much. On behalf of Tata Securities Limited that concludes this conference.

Thank you for joining us. You may now disconnect your lines.