

## "Jet Airways Limited Q4 Financial Year 2015 Results Conference Call"

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Moderator:

Ladies and gentlemen, good day and welcome to the Jet Airways Q4 FY 2015 Results Conference Call, hosted by SBICAP Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing "\*" and then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mahantesh Sabarad from SBICAP Securities. Thank you and over to you, Sir!

**Mahantesh Sabarad:** 

Good afternoon. On behalf of SBICAP Securities, I welcome you all to the Jet Airways Q4 FY 2015 Post Results Conference Call. We have the Senior Management Team with us from Jet Airways for the call led by their CEO, Mr. Cramer Ball. I now hand over the floor to Mr. Ball for his opening remarks. Over to you, Sir!

**Cramer Ball:** 

Thanks. Good afternoon everyone. It is a pleasure to be here today with my team and I will be assisted by N. Ravichandran, who is the acting CFO who will take you through much of the detail. What I would like to do is commence with our overview of Q4 moving into an overview of the full year results.

Starting with Q4 we saw EBT for Q4 increase by 28%, importantly operating EBT improved by 85% over and above that as a subset of that one very important factor EBITDA improved by 118% to a positive 88 Crores versus a loss of 470 Crores in the previous year. What we saw in the fourth quarter was revenue growth of 9% this was driven by improved load factor of 9.5 points, so significant improvement in load factor. CASK reduced by 12% for the quarter. Despite a challenging quarter our domestic traffic grew by 23.8% to 4.56 million passengers and this is over and above the industry growth for the quarter of 20.6%.

If we move to the full year, the reported EBT improvement by 49% to a loss of 2100 Crores, operating EBT improved by 60% to 832 Crores or 135 million, importantly again for the full year EBITDA was 209 Crores or 123% improvement versus a 903 Crores loss for the previous year. We saw revenue per ASK or RASK improve by 4%. We saw overall CASK reduce by 3.4% and another factor we saw was ASK available seats improve by 6.7% and this is without adding any additional aircraft and what that means is that we are flying our assets more efficiently and have a better utilization.

If we move to cash generation from operations we saw swing of \$141 million for the financial year versus \$72 million versus a positive operational cash balance that was about 69 million in the previous year. We saw Rs. 25.9 billion of debt loans repaid and additional loans added of 36.9 billion or 585 million. We have been absolutely current in terms of debt servicing since September 2014.



Our overdue credit is reduced from \$330 million in April 2013 to \$210 million in March 2014 to \$182 million in March 2015. Overall when you look at the customer metrics, guest satisfaction has improved year-on-year across all key components and I will touch on some of the products and service enhancement in one minute.

The domestic fare pressure will certainly continue in India that was witnessed by the last quarter, March average fares year-on-year we saw a reduction of round about 25%. While the fares are lower, we still have issues with cost remaining high on an industry level particularly we have the full benefit of fuel not being passed on in India. At this point our challenge is that as I mentioned before in the last quarter, we saw domestic traffic grow by 23.8% compared the industry growth is 20.6%.

When you look at the full year on year capacity and market shares statistics across industry, capacity went up by 5.3% versus passenger growth of 14.5%. While our capacity of seats went down by 7.1% our passenger counts grew by 5.4% and as I mentioned before this illustrates intense focus on improved utilization of the aircrafts we have on hand.

When you look at the year-on-year gap in average fares, as I mentioned before we saw average fare dipped over the previous year; however, we have seen a positive impact on load factors. We think international load factor, with a strong growth since November resulted in full year revenue increasing by 20%. This is driven by all sectors and particularly Gulf, Abu Dhabi and improved premium focus in certain business class revenue by 9% and again it demonstrates our intense focus on the premium traffic and the scope of business.

I would just like to touch on some of the products and service enhancements through the year. We have implemented during the year, one single brand and full service and what that has delivered to our business is consistency and surety with our customer base that when they purchase ticket they know what they are going to get and this has seen very positive feedback and is certainly demonstrating and reflecting the numbers for our corporate traffic.

We have introduced domestic guest-first which is an intense focus on service right throughout our business. We have commenced seat configuration and refurbishment programs of both our narrow body and wide bodied aircraft. We have introduced the new call center technology and we have upgraded the frequent flier program. With some of those particular reconfiguration with our 737-800 aircrafts, every aircraft is configured in a 12 in business and 156 in economy. This has been rolled out throughout our fleet and that gives us operational flexibility and certainly customer consistency. We will be refurbishing more of the 737. We have 20 aircrafts to refurbish that will continue and will be finished in medium term. We continue to focus on service, continuously focus on leveraging our global



network, leveraging the customer, value proposition of frequent flier and we expect to see more benefits into this year. Ravi hand over to you. Thank you.

Ravichandran Narayan: Thanks Cramer. Good afternoon everyone. This is Ravichandran. I will take you through first the financial highlights and later the detailed performance of the company.

> To start with Jet group's performance at a consolidated level for the Q4 FY 2015 the total gross revenue were up by 8.6% to a total of INR 5397 Crores versus INR 4969 Crores same quarter last year.

> Our seat factor has improved by 9.5%. We achieved an overall seat factor of 87.8% versus 78.3% in the previous year. As Cramer said earlier the Jet Group's domestic passenger grew by 23.8% outpacing the industry passenger growth of 20.6%. We have good news on the EBITDA we are happy to inform you that the EBITDA margins have improved to 1.7% in Q4 FY 2015 as opposed to a negative 9.5% in Q4 FY 2014. This has resulted in a positive EBTIDA of 89 Crores versus negative EBTIDA of INR 470 Crores last year the same time.

> Let me just take you through the operating highlights for Jet Airways standalone results. Domestic plus international, passengers carried showed an increase of 26.1% that is from 4.45 million in Q4 FY 2014 to 5.61 million in Q4 FY 2015 overall seat factor increased to 87.8% in Q4 FY 2015 versus 78.7% in the same quarter last year.

> During the quarter Jet Airways capacity as measured by ASKMS increased by 11.2% as compared to Q4 last year. RPK increased by 23.9% when compared to same quarter last year.

> On a standalone basis Jet Airways showed EBITDA improvement of 129% at INR 108 Crores as compared to Q4 last year loss of INR 369 Crores. Loss after tax was INR 1729 Crores for Q4 FY 2015 as compared to a loss after tax of INR 2154 Crores for the same period last year showing a reduction of 19.7%.

> Operating highlights of Jet light. Overall seat factor increased to 88.2% in Q4 FY 2015 from 74% in the same quarter last year. RPK increased by 3.9% as compared to same quarter last year. RASK (Revenue per Available Seat Kilometer) increased by 4.2% as compared to Q4 FY 2014. The company reported a loss of INR 74.3 Crores for Q4 FY 2015 compared to a net loss of INR 312.7 Crores for the same period last year.

> Let me just explain to you in detail about the Jet Airways domestic operations. The share of our domestic revenues to total revenues is 40.6% for the quarter. The total domestic revenues stood at INR 2136 Crores up by 5.4% on a year-on-year basis. Domestic



operations in Jet Airways achieved a load factor of 87.6%. ASKMs went up by 6.7% compared to Q4 of last year.

Moving to international - the share of international revenues to total revenues is 59.4% for the quarter. International revenues stood at INR 3124 Crores up by 17.8% as compared to Q4 of last year. ASKMs went up by 13.5% compared to Q4 of last year. The average seat factors for key international routes for Q4 FY 2015 were as under: UK routes were 91.3% versus 85.8% recorded same time last year. ASEAN routes were 86.1% versus 77% last year. Gulf was at 90.8% versus 84.9% last year. SAARC routes were 83.3% versus 78.7% last year. Abu Dhabi gateway routes were 84.5% versus 76.8% last year. Brussels gateway route were 85.3% versus 84.6% last year. Europe route was 86.4% which commenced from May, 2014.

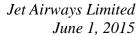
Let me just take you through the consolidated results for the full year 2015. Jet Groups performance at a consolidated level FY 2015 stood at total gross revenue of 20966 Crores versus 19036 Crores up by 10.1%. EBITDA for the year were at INR 209 Crores versus a negative EBITDA of INR 903 Crores last year showing an improvement of 123% compared to FY 2014 Jet Airways group's financial performance improved by 49% and the net loss halved from INR 4130 Crores in FY14 to INR 2097 Crores in FY 2015.

Operating results improved by 60% reducing to a loss of INR 833 Crores in FY 2015 from INR 2073 Crores in FY 2014. This excludes various nonrecurring items and INR 1170 Crores impairment of goodwill. Seat factor were up by 4.7% points achieved an overall seat factor of 82.3% versus 77.6% in the previous year.

Now let me walk you through the details of the funds position, the liquidity position for the Jet group as a whole. Our cash and cash equivalent position at March 31, 2015 was at INR 2163 Crores equivalent to US \$346 million. As on March 31, 2015 the overall debt on our balance sheet stood at 11902 Crores equivalent US \$1.9 billion.

The repayments of the loans during the quarter: total loans repaid were at INR 662 Crores equivalent to US \$96.9 million. Among this aircraft loans were at INR 322 Crores equivalent to \$44 million. The other loans were at INR 340 Crores equivalent to USD 52.9 million.

Turning to the current quarter and a brief on the outlook; quarter one especially being peak holiday season is expected to show improvements in overall revenues. The forward booking trends for the quarter are quite encouraging. Our focus is to optimize revenue, building on a platform of high base loads. We continue to rationalize our route network in response to industry conditions and traffic evolution.





Our network rationalizations are as under. We are reducing a frequency on Bombay-Bangkok-Bombay from existing three to two effective July 14, 2015. We are restructuring Abu Dhabi gateway by converting the Goa-Abu Dhabi-Goa services into seasonal one and cancelling the Abu Dhabi-Kuwait and Abu Dhabi-Dammam services. We are also enhancing South India to Gulf connectivity by converting day of the week operations into daily frequencies for certain sectors. We continue to enhance our metro-to-metro schedule as opportunities arrive.

On the commercial front we are focusing on increasing corporate penetration and improving premiere loads. There is a dedicated team now in place focusing solely on global key accounts. Our relentless focus on improving ancillary revenues in terms of enhancing penalty, cancellation charges, seat select and excess baggage revenues continue. We rolled over our industry leading seat select product across GDS greatly enhancing its scope. We enhance Codeshares with three new partners Air Seychelles, Air Berlin and Bangkok Airways. These are expected to bring in significant guest benefits such as seamless connectivity, frequency flyer accrual and redemption opportunities etc. More importantly we enhanced our existing codeshare relationship with our current partners. All of Etihad US services are now available on Jet Airways code providing unparalleled guest benefits such as pre-US clearance in Abu Dhabi.

We are continuously improving aircraft utilization by adding more red-eye flights and earlier departures thereby continuing to stay relevant for multiple customer segments. Thank you. Ladies and gentlemen we will open the floor now for questions.

**Moderator:** Thank you very much. We will now begin with the question and answer session. The first

question is from the line of Madan Gopal from Sundaram Mutual Fund. Please go ahead.

Madan Gopal: Good afternoon Sir. Just wanted to understand the cost side benefits what is your fuel per

ASKM in this quarter?

Ravichandran Narayan: We generally express it in terms of CASK, when we talks about overall cost. The CASK for

the quarter stood at Rs.5 for the whole year of FY 2015 as opposed to 5.18 showing an

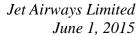
improvement of 3.3% over the last year.

Madan Gopal: Sir did you get the benefit of the fall in fuel prices is it already in the cost or you see further

possibility of cost coming down because of overall crude falling?

Ravichandran Narayan: Yes we did. As our CEO mentioned just to give you a brief the Brent crude for the last six

months from September till March actually dropped by 44%. This translated into a MOPAG, the MOPAG, the Average of Arabian Gulf, which is the benchmark for the prices for the Indian oil companies dropped by 39%. While this drop by 39% the final benefit





extended by these oil companies to the airlines were only to the tune of 29%. In the international sectors wherever we have been uplifting fuel for our return segment on the international sectors we got a benefit of 37% as opposed to the reduction of 39% on MOPAG prices. So we got in net to answer your queries in India only to the tune of 29% and not the entire reduction that was experienced in the international market.

Madan Gopal:

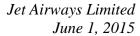
When I look at your fixed cost there seems to be some increase. For instance, the staff cost has moved up by 16% in this quarter, your commissions have jumped by 57%. Moving down for the next year what sort of cost reduction we can expect Sir?

Ravichandran Narayan: As you would have seen there are a couple of cost elements where we have seen some spurt namely the employee cost as you have rightly identified. If I were to get into a brief detail from these, these were primarily due to reducing or dependence on the expat pilots. During the financial year 2015, we reduced closer to 50 body counts on these expat pilots as a result we had to pay their retrenchment compensation which was the one off kind of a cost coming into the P&L. Having said that with the existing crew count that we had, we had to double up some of them to offer the enhanced capacity. This entailed certain excess payment to them. Also a small increase on the headcount and lastly the gratuity was primarily due to the decrease in the discount rate. As you know, we are required to follow the actuarial valuation complying with the AS15 norms and on a year-on-year basis there has been an overall reduction in the discount rate as experienced by the industry this has resulted an incremental provision to us. This we feel are one time aberrations and will not be recurring in nature.

Madan Gopal:

What about commission costs?

Ravichandran Narayan: On the commission, on the selling and distribution cost if you see which again has seen an increase some of them are a direct link to an increased topline namely the PLBs which increased due to the increase in the topline. The most important contributor here has been our JPPL- the frequent flyer program cost. As you know in this year on April 21, 2014, the programs were hived off to a new entity by the name JetPrivilege Private Limited. Ever since the accrual of these miles are taken at a cost as per a different mechanism as opposed to our previous history of accounting for them on a variable cost method. So this has resulted an incremental cost and a year-on-year increase on our computerized reservation system both the global distribution as well as the hosting services and lastly we paid little more on the credit card commission which we are correcting now in some of these markets and we will move back to the traditional BSP form for these sales. So as we move along we will see certain stabilization on this front and some of these costs as a result they will not be recurring in nature. Lastly you would see an increase on the other operating expenses as well. These are primarily for the notes which we have very clearly highlighted in our clause





41 results. Primarily we have created a provision for potential penalties due to the delayed discharge of the TDS in the past years. There is a provision of 175 Crores on the standalone and 200 Crores on a consolidated basis. This has resulted in an increase on the other operating cost and also certain engineering related costs that we were required to take certain additional provisions on stock obsolescence and a few other cost that was incurred. Cramer mentioned little while ago about all our aircraft are now configured to 12 on the business class and 156 on the economy. This entailed a certain modification cost and few other reconfiguration cost on wide bodies. These again we feel are one time cost and are nonrecurring in nature.

**Madan Gopal:** 

So put together all these lot of one time in the numbers, if you can share where do you see your cost. As you said Rs.5 where do you see that moving next year, can we expect a significant reduction in it what sort of numbers will you be looking at?

Ravichandran Narayan: More or less we would certainly see some improvement in here as we go by, which would be to the tune of, we expect to the tune of 5% to 10%, but given the pressure on the cost more or less I think we should be in the vicinity of this.

Madan Gopal:

Thank you Sir.

**Moderator:** 

Thank you. The next question is from the line of Niraj Mansingka from Edelweiss. Please go ahead.

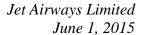
Niraj Mansingka:

Thank you for taking my question. I had some broader question regarding your costs, taking forward from the earlier call, if you see the last two years the employee expenses and other expenses moved from a 1500 Crores to currently 2900 Crores being almost doubled and you obviously said this one off but you also said that the improvement would not beyond 5%, 10% so then how do you see the company coming to a profits in a year from now. In the last call you had also suggested that in FY 2016 you would turn to profits.

Ravichandran Narayan: Thanks Niraj. Yes I did say that the CASK would improve in the periods to come marginally, but there are various other measures that the company has undertaken to contain cost. As I mentioned on the selling and distribution engineering and maintenance is yet another major area for us besides the payroll expenses, the payroll has seen an increased between FY 2014 and 2015. It has gone up by almost 340 Crores from 1900 to 2040 Crores these are primarily for the reasons which I just touched upon answering Mr. Madan Gopal, which again as I mentioned are onetime expenses but as we move along there is lot of efficiency in productivity which is being brought in and we expect this cost to stabilize compared to corresponding to the levels of our operations.

Niraj Mansingka:

Thank you.





Moderator: Thank you. The next question is from the line of Joseph George from IIFL. Please go

ahead.

**Joseph George:** Thank you for the opportunity. First question on the operating expenses so when I look at

the other operating expenses line it has been around in that 1500 mark in the first three quarters of the year and in the fourth quarter even if I adjust for 175 Crores of one off as you highlighted it has jumped about 2000. So would it be right way to think, when I think about it from FY 2016 perspective should I look at the existing quarter as an indicator for the quarters lying ahead or would the average of the last four quarters be a better indicator?

Ravichandran Narayan: Thanks Joseph. Certainly the last quarter will definitely not be an indicator for the periods

to come. As I mentioned there are various one off which are nonrecurring. Average of the four quarters will not be a good indication. Probably the average of the first two quarters

will be a good indication to go by.

Joseph George: The second question, I had was to understand the code-share arrangement that you have

with Etihad. I do understand that you will not be keen to share the exact numbers of the commercials but can you at least help us understand how the transactions are structured what are the revenue lines, what are the cost lines and also maybe from an accounting standpoint, even if with not with exact numbers at least get a sense of the structure of the

whole relationship?

**Cramber Ball:** Raj, our CCO will touch on this

**Raj Sivakumar:** Good afternoon everybody this is Raj Sivakumar. The essence of the transaction itself is

compensated on a prorated revenue basis based on the distance flown, so it is not different from the arrangement that we have with several of our other code-share partners. In terms of the numbers there has been a significant growth. Without getting into the specifics, we have seen a manifold increase in the traffic that we transfer between the two carriers like

like any other traditional revenue sharing agreement where basically the carriers get

available on a code-share basis. In India, we are starting to deal together with our key customers both agencies and corporate, so there is a lot of joint activity going on and it

Ravichandran mentioned a lot of the key points in Europe and all of United States is now

starting to show the results. Our schedules are integrated in Abu Dhabi. We fly to 11 destinations in India with 12 frequencies and Etihad of course has their services in India so

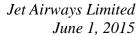
all in all the last year was the first full year of us sort of looking at the combined virtual

network on a stabilized basis and the results are very, very promising.

Joseph George: But actually if I were to just go ahead and dwelve into one more point, which is see there

are lot of passengers who fly Jet Airways into Abu Dhabi and from where Etihad takes

them ahead into Europe or US for that matter. So since there is some amount of exclusivity





in terms of lot of passengers getting into the Etihad line and which is filled in by Jet from India into Abu Dhabi would there be a specific compensation that is or some revenue commission or something which is paid by Etihad to Jet for that particular bunch of passengers?

**Cramber Ball:** 

Sure, just as Raj said, this is a typical proration of revenues. They are based on kilometers traveled. So we are not going to get into the data, but I think it is important to understand it is not just Etihad. Etihad is one part and a very important part and Abu Dhabi is a gateway and what it does along with our other gateways in Brussels and London is to provide breadth and depth of network across the world both ways. So very important as you said, a customer can travel out of India or to India or rather Delhi into points that we could not drive nor would we have the ability of serving around so not only it is extension to our existing network but an incredible solution, a global solution that now airline in its own right can offer, and when you look at Abu Dhabi gateway the customer proposition is fabulous. We are operating from one terminal with Etihad. We have the customer preclearance in Abu Dhabi for all our flights leaving to the US that is very, very important and something that no other airline can offer.

Joseph George: Thank you.

**Moderator:** Thank you. The next question is from the line of Devesh Agarwal from Bangalore Aviation.

Please go ahead.

Devesh Agarwal: Good afternoon gentlemen. I would not focus on financial. I thought I will just focus a little

bit on fleet utilization and strategy. You were mentioning that this particular quarter you have focused a lot and improved aircraft utilization. Could you give me an idea of your wide body aircraft utilization what is your roughly hours per day that you utilize your

A333s and 777s.

**Ravichandran Narayan:** So it is on the 330s and 777s it is close to 14 hours a day.

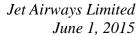
**Devesh Agarwal:** Do you all have any plans to increase this because most major airlines are in the range of 16

to 17?

Ravichandran Narayan: Yes indeed they do. It is clearly a function of the network that we have. The way we are

going to be able to increase it, Devesh is starting to deploy some of these wide bodies into the domestic network we have done this in the past for a couple of months and we see an opportunity to do this especially when Mumbai gets integrated later this year or early next

year and we see a clear opportunity to push the utilization further.





**Devesh Agarwal:** 

Also Sir this time I was in Frankfurt just a few days back and I happen to see a Jet Airways aircraft which was operated by Etihad Airways sticker. I guess that was means to utilize the aircraft when India was in category II. The restoration of category I how has that affected your strategy in terms of the United States, are you planning to take back some of those aircraft from Etihad and if your recall you had at one point announced a flight which went Delhi-Abu Dhabi-New York. So are you planning to now go back to that strategy since India is come back to category I?

Ravichandran Narayan: Yes, Devesh without getting into the details we are exploring all possibilities. Yes we are fortunate that the category A has been restored what it means to our own plans we are evaluating.

**Devesh Agarwal:** 

Also just two questions Sir, you recently had put up your entire wide body fleet advertised it for sale including your Boeing 777s and of course the A330, 200 which have been with you for a while. Could you please explain the 777 sale what is Jet Airways planning?

**Cramer Ball:** 

We were just exploring the value of the aircraft and we continue look at the possible option to the best utilize or leverage the equity we have in the aircraft and improve the balance sheet so that was purely an exercise on setting the market.

**Devesh Agarwal:** 

Last two questions what are your plans on your 787/9s are you delaying the deliveries, are you planning to serve the slots or exactly is Jet Airways stand on that?

**Cramer Ball:** 

As Raj said we are looking out as we speak on network and fleet and it is work-in-progress.

Devesh Agarwal:

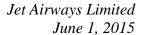
The last question Sir you have announced just now. I think in answer to somebody else's question you were talking about refurbishment of your wide body fleet. I think I had brought it up in the last earnings call that the Boeing 777s had quite aged product now so could you please detail that because our readers would definitely like to get more details of what Jet Airways has planned.

**Cramer Ball:** 

So we continue to look at how we can improve. On the wide body aircraft we need to make sure we are upgrading where we can. On the 777 fleet we want to try and keep that fresh and keep the product strong and when I still look at competitor base and compare with us, we have a great product, a very strong product. We need to make sure we are relevant, that can be soft touches, can be hired products so again that are continued work in progress we will keep that product fresh and we intend to do that throughout the year.

**Devesh Agarwal:** 

Do you have still plan to go with the three class configuration because the first class seems to work only on the London routes do you have plan to keep the first class cabin for all your 777 aircraft?





**Cramer Ball:** So we operate the 777 predominantly on London and that works well for us, and there is a

first class market. There is a very strong premium market. As we mentioned before we

continue to assess and look at opportunities across the network.

**Devesh Agarwal:** Thank you gentlemen.

Moderator: Thank you. The next question is from the line of Rajini Khetan from HSBC. Please go

ahead.

Rajini Khetan: First one is, actually two of them from me are on fleet and capacity. Just want to understand

how many planes do you have on lease at the moment? How many planes do you have leased out at the moment and what are the terms? Second is related is what is your capacity plan going forward in FY 2016-2017 and what ASK growth are you planning split between domestic and international that is the first one and I will probably continue after the answer?

Ravichandran Narayan: Currently our fleet strength is 116 out of that there are ten aircrafts which are leased out six

777s and four A330. They are different lease terms so I cannot answer in one statement.

The second part Raj you can address that.

**Raj** Sivakumar: Rajini could you repeat the next part of the question please?

Rajini Khetan: Just wanted to understand Raj what are your capacity plans how many fleet additions are

you doing this year and next and in terms of ASK growth how would you divide that

between domestic and international?

**Raj Sivakumar:** In terms of our capacity plan for the coming year we expect to stay flat. No immediate plans

for any capacity addition. In terms of the capacity you are talking about, our capacity growth on domestic will be 11% year-on-year and on international it will be 17% growth year-on-year. A lot of it, almost all of it is coming from improved utilization and addition of

seats going to a standard configuration.

**Rajini Khetan:** So when you say net flat you mean no additional aircraft?

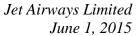
**Raj Sivakumar:** No additional net aircraft correct.

Rajini Khetan: Just to get a sense what percentage of your revenues or traffic, whichever way you classify

it, comes from corporate versus leisure?

**Raj Sivakumar:** More than 35% of our revenues come from corporate traffic.

**Rajini Khetan:** Is that consistent between domestic international?





**Raj Sivakumar:** It is fairly consistent.

**Rajini Khetan:** The next one is how much of your debt is USD denominated?

N Ravichandran: We have closer to on March 31, 2015 76% of our total debts on USD terms or FX

denominated.

**Rajini Khetan:** Could you tell us the revenue percentage as well in terms of USD?

**Raj Sivakumar:** Today roughly about 45% is of the topline is in FX earnings.

Rajini Khetan: Revenue.

**Raj Sivakumar:** That is right.

Rajini Khetan: The last one is on the government's plan to change or alter the international flying

requirement for the new airlines. I am sure you would have done some work. Would you be able to comment on what would happen really if the current regulation is sort of changed to give way to that credit system that they are mulling on? What could that effectively mean

for the sector?

Raj Sivakumar: Rajini we are continuing to work with the stakeholders. We have our views. We have

presented our views through our industry group FIA and we will see where that goes. So I think it is a hypothetical scenario because we really do not know where this whole thing is going to lead. There are two key policy decisions that are being debated as you very well know one is the route disposal guidelines the second one is the 5/20 rule and we just have to see where that leads. We have our views and which we have presented through the FIA.

Rajini Khetan: Thank you so much.

Moderator: Thank you. The next question is a follow up from the line of Madan Gopal from Sundaram

Mutual Fund. Please go ahead.

Madan Gopal: Thanks Sir for taking my follow-up question. You spoke about your capacity being flat for

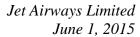
the year if you can tell us from your assessment what do you expect from the sectors as

such in the domestic to happen?

Raj Sivakumar: Looking at last year the capacity grew by about 5%, I expect a similar growth in the

capacity for the coming year. I want to be very clear here I did not say the capacity is going to be flat I said the fleet count is going to be flat, our domestic capacity is expected to

increase by about 11%.





**Madan Gopal:** So the fleet addition in the industry you expect to be 5% this year.

**Raj Sivakumar:** The capacity growth in the industry is expected to be about 5% to 6% this year.

Madan Gopal: So the capacity you are defining for the industry is same as what you are defining for

yourself?

Raj Sivakumar: No, I said our capacity is growing by 11% and based on publicly available data my

expectation for the growth in industry capacity is between 5% and 6%.

Madan Gopal: Thank you so much.

Moderator: Thank you. Ladies and gentlemen due to time constraints, we would like to conclude this

conference call for today. I would now like to hand the floor over to Mahantesh Sabarad for

closing comments.

Mahantesh Sabarad: Thank you Margaret. Thank you very much for the conference call. I thank the management

of Jet Airways for listening in onto the call. Thank you very much.

Ravichandran Narayan: From the management side, I wish to thank all the investors participating on this call and

special thanks goes out to SBICAP for hosting this call. If anyone has any left out questions to be answered we are more than happy to take it offline. Please feel free to write to us.

Thank you. Thanks Mahantesh and thanks everyone at SBICAP.

Moderator: Thank you. On behalf of SBICAP Securities Limited that concludes this conference. Thank

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