JET AIRWAYS

27 August 2018

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Stock Code: 532617/JETAIRWAYS

Dear Sirs,

Sub: Press Release

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a Press Release titled "Jet Airways' Board considers Fund raising measures and accelerates Turnaround Strategy" issued by the Company today.

We request you to take the above information on record.

Yours faithfully,
Jet Airways (India) Limited

Kuldeep Sharma
Vice President-Global Compliance and Company Secretary

Encl: a/a

PRESS RELEASE

JET AIRWAYS' BOARD CONSIDERS FUND RAISING MEASURES AND ACCELERATES TURNAROUND STRATEGY

~Jet Airways continues to be a going concern~

~Operational metrics during the Quarter report progress with further reduction in non-fuel CASK~

~Macroeconomic headwinds continue to impact financial performance~

Mumbai, 27th August, 2018: The Board of Directors of Jet Airways met today to announce the Company's financial results for the first quarter of FY19. Significantly, the Board also considered various cost cutting measures, debt reduction and funding options, including infusion of capital, monetization of assets including the Company's stake in its Loyalty programme. The management has been tasked to take this forward and accomplish it in a time-bound manner.

The Board of Directors, based on the recommendation of the Audit Committee approved the financial results of the company for the quarter ended 30th June, 2018. In their review of the financial results, the statutory auditors have issued an unmodified opinion on the results.

Given the challenging business environment, Jet Airways has been implementing additional measures to reduce costs and achieve greater efficiencies of operations.

Key decisions of Turnaround strategy

1. **Comprehensive cost reduction programme**: Will result in an excess of INR 2,000 crores of cost reduction over the next two years. The cost reduction programme covers various facets of the company's operations including Maintenance costs, Selling and Distribution costs, Fuel rate and optimization, Debt and Interest cost reduction and enhancement of Crew and manpower productivity.
2. **Induction of fuel and cost-efficient B737 MAX aircraft:** Contributing to the stated 8-10% growth plan.
3. **Revenue enhancement programme:** Delivering 3-4% growth in RASK through tactical and strategic initiatives around network, pricing, inventory management and sales.
4. **Product and service improvements:** Provide choice and flexibility to guests in line with global best practices and standards.
5. **Leveraging the well-established 8.5m member JetPrivilege programme**
6. **Balance sheet restructuring:** Capital infusion and debt reduction to result in significant reduction in the interest cost.
7. **Fleet simplification:** Wet lease of excess ATR aircraft and simplification of sub-fleet complexity of B737s to result in further improvements to the bottom line.

For the quarter ending 30th June 2018, Jet Airways Group reported a net loss of INR 1,326 crores, compared to a net profit of INR 58 crore in Q1FY18. For the period April to June 2018, the airline reported an EBITDAR of INR 52 crores versus an EBITDAR of INR 870 crores in Q1 FY18. Macroeconomic factors led by an increase in Brent fuel price by more than 36%, a depreciating rupee and the resulting mismatch between high fuel prices and low fares primarily undermined Jet Airways' performance in the quarter.

The airline however, continued to improve its operational fundamentals registering a 9.4% improvement in Available Seat Kilometres (ASKMS) over Q1 FY18, and a 7.6% increase in Revenue Passenger Kilometres (RPKMs), flying 7.38 million guests – up 4% from Q1 FY18. During the quarter, Jet Airways also recorded a 4% improvement in the daily utilisation of its B737 fleet to 13.72 hrs which is unarguably, the world's highest-ever utilisation of this aircraft type.

In line with its stated focus of achieving a committed reduction in non-fuel CASK by 12%-15% in the next 8-10 quarters, Jet Airways reported a further reduction in its non-fuel CASK by 1.5% over Q1 FY18. This reflects further enhancement of efficiencies across all aspects of its business.

During the period, the airline's overall fleet utilisation also went up by 3.7% to 12.98 hrs on a YoY basis with a Technical Dispatch Reliability (TDR) of 99.52%. The efficiencies from operations also translated into significant improvements in Jet Airways' On-time performance during the quarter which are in fact higher than they have been for the same period in the past few years.

The airline's international network and traffic numbers continue to deliver robust growth, demonstrating the success of key partnerships and deepening codeshare cooperation. Revenues from codeshare and interline guests for Q1 FY19 rose by 29.3% even as guest numbers grew by 5.1% on a YoY basis. Jet Airways also expanded its codeshare partnerships by a new agreement with AeroMexico for travel between Mexico City and Delhi and Mumbai via London Heathrow, enhancing choice and connectivity for guests. The quarter also saw Jet Airways completing two years of successful operations from Amsterdam Schiphol.

In line with the global practice followed by leading international airlines, Jet Airways has embraced the unbundling of products and services, introducing several measures to grow its ancillary revenue. The airline recently introduced *JetUpgrade* – an online bidding tool that allows guests to avail an upgrade from Economy to Première/ First Class cabins. JetUpgrade and other such innovations in areas of baggage, online duty free shopping, and other inflight services are expected to form the bedrock of several such revenue enhancement schemes. Jet Airways is also leveraging its industry-leading JetPrivilege loyalty and rewards programme with nearly 8.5 million members for further innovations.

During the quarter, the airline inducted its first B737 MAX aircraft into its fleet with another 10 expected during the Year. The B737 MAX will enhance the airline's operational reliability and also reduce its sub-fleet complexity while reducing costs. The MAX will also refresh Jet Airways' guest experience by a significant measure.

Demonstrating its resolve to play a dominant role in the Indian aviation story, Jet Airways also announced that it will induct a total of 225 fuel-efficient B737 MAX aircraft in the coming decade - against the earlier 150 - enabling it to both replace, as well as expand its fleet and network footprint.

In June, Jet Airways launched 3 of its 4 new routes that the airline was awarded under the Government's Regional Connectivity Scheme (RCS), deepening its domestic connectivity and adding Allahabad to its pan-India network. On the international side, the airline announced India's first-ever service between Mumbai and Manchester (UK), making Manchester the 21st city to be added to its international network. The new 5-day per week service will commence in the winter schedule effective 5th November. Jet Airways also strengthened connectivity between Dhaka and Delhi by the launch of an additional service between the two neighbours.

"The two significant proposals considered by the Board of Directors today i.e. infusion of capital and the monetization of the airline's stake in its Loyalty programme bode well for the long term financial health and sustainability of the airline.", said **Naresh Goyal, Chairman Jet Airways.**

A **spokesperson for the Etihad Aviation Group** said, "We remain committed to our strategic partnership with the airline as it explores and leverages the opportunities presented by the growing Indian aviation market".

Vinay Dube, CEO, Jet Airways said, "The rise in the price of Brent fuel, a depreciating rupee and a resulting mismatch between high fuel prices and low fares have adversely impacted the Indian aviation industry, including Jet Airways".
"We are implementing a host of measures to reduce costs and grow revenue, while retaining our focus on our guests. I am confident that the various transformation initiatives identified and under implementation by the Company will help in addressing the challenges faced by us. In fact, several such transformation initiatives have already started to deliver positive results".

Jet Airways Group Q1, FY19 highlights

- Total revenue up 5.2% at INR 6,257 crores compared to INR 5,951 crores in Q1, FY18
- Available Seat Kilometers up 9.4% at 15.28 billion over Q1, FY18
- Passengers carried increased by 3.9% to 7.38 m over Q1, FY18
- Interline and Codeshare traffic increased by 5.1% to 0.59 m guests over Q1, FY18
- Cargo revenue up by 19.2% to 515 crores over Q1, FY18
- Non-fuel CASK reduced by 1.5% to 3.17 over Q1, FY18

About Jet Airways

Jet Airways is India's premier international airline, currently operates flights to 66 destinations, including India and overseas. Jet Airways' robust domestic India network spans the length and breadth of the country covering metro cities, state capitals and emerging destinations.
Beyond India, Jet Airways operates flights to key international destinations in South East Asia, South Asia, Middle East, Europe and North America. The Jet Airways Group currently operates a fleet of 121 aircraft, comprising Boeing 777-300 ERs, Airbus A330-200/300, the latest Boeing 737 MAX 8, Next Generation Boeing 737s and ATR 72-500/600s.

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