



August 10, 2012

The Listing Department
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051

Fax No. : 26598237/38

Dear Sir,

Sub: Unaudited Financial Results for the Quarter ended June 30, 2012

Please find enclosed the Unaudited Financial Results alongwith the Limited Review Report for the Quarter ended June 30, 2012, approved by the Board of Directors at its Meeting held today.

The Press Note is also attached.

Please take the same on record.

Thanking you,

Yours faithfully,
For **Kingfisher Airlines Limited**

A. Raghunathan
Chief Financial Officer

Encl: as above



Kingfisher Airlines Limited

Kingfisher House, Western Express Highway, Vile Parle (E), Mumbai - 400 099.

Tel: +91 22 2626 2200 / 6649 9300 Fax: +91 22 6702 0625 To fly: www.flykingfisher.com

Registered Office: UB Tower, Level 12, UB City, No. 24, Vittal Mallya Road, Bangalore 560001, India.



Kingfisher Airlines Limited

Registered Office : The UB Group, UB Tower, Level 12, UB City,
24 Vittal Mallya Road, Bangalore - 560 001, India.



Part I - Statement of Unaudited Financial Results for the Quarter ended June 30, 2012

Particulars	(Rs. in Lacs)			
	Quarter ended June 30, 2012	Quarter ended March 31, 2012	Quarter ended June 30, 2011	Year Ended March 31, 2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from Operations	30,138.15	76,282.77	190,701.67	559,043.19
2. Expenditure				
a. Employee Costs	5,888.38	13,696.68	17,366.72	66,950.65
b. Aircraft Lease Rental	5,702.04	10,011.81	24,730.18	86,845.15
c. Aircraft Fuel	23,278.38	54,512.09	84,513.21	294,588.58
d. Other Operating Expenses	19,380.75	36,029.39	66,565.48	218,333.09
e. Depreciation/ Amortisation	5,552.60	9,320.29	8,654.60	34,186.59
3. Profit/ (Loss) from Operations before Other Income, Finance Costs, Redelivery Costs, Restructuring/Idle Costs (1 - 2)	(29,664.00)	(47,287.49)	(11,128.52)	(141,860.87)
4. Other Income	9,268.57	4,345.95	3,164.40	33,049.90
5. Profit/ (Loss) from Operations before Finance Costs, Redelivery Costs, Restructuring/ Idle Costs (3 + 4)	(20,395.43)	(42,941.54)	(7,964.12)	(108,810.97)
6. Finance Costs	38,334.88	28,891.61	30,580.24	127,633.52
7. Profit/ (Loss) after Finance Costs but before Redelivery Costs, Restructuring/ Idle Costs and Tax (5 - 6)	(58,730.31)	(71,833.15)	(38,544.36)	(236,444.49)
8a. Redelivery Costs	16,734.33	64,804.42	467.40	74,344.72
8b. Restructuring / Idle Costs	20,869.92	33,820.00	-	33,820.00
9. Profit/ (Loss) from Ordinary Activities before Tax (7 - 8a - 8b)	(96,334.56)	(170,457.57)	(39,011.76)	(344,609.21)
10. Tax Expense				
- Current Tax	-	-	-	-
- Deferred Tax Asset	(31,255.74)	(55,304.97)	(12,657.36)	(111,808.46)
- Fringe Benefit Tax (Net of Provision for FBT written back)	-	-	-	-
11. Profit/ (Loss) from Ordinary Activities after Tax (9 - 10)	(65,078.82)	(115,152.60)	(26,354.40)	(232,800.75)
12. Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	80,872.30	57,764.73	49,777.92	57,764.73
13. Reserves as per Balance Sheet of Previous Accounting Year (Excluding Revaluation Reserve)	N.A.	(621,314.83)	N.A.	(621,314.83)
14. Earnings per Share (of Face value Rs. 10/- each) (not annualised) (Basic and Diluted)	(9.94)	(32.07)	(5.55)	(46.92)

Part II - Select Information for the Quarter Ended June 30, 2012

Particulars	(Rs. in Lacs)			
	Quarter ended June 30, 2012	Quarter ended March 31, 2012	Quarter ended June 30, 2011	Year Ended March 31, 2012
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
A. Particulars of Shareholding				
1. Public Shareholding				
- Number of Shares	518,730,364	287,654,648	206,021,597	287,654,648
- Percentage of Shareholding	64.14%	49.80%	41.39%	49.80%
2. Promoter and Promoter Group Shareholding				
a) Pledged/ Encumbered				
- Number of Shares	261,312,125	261,312,125	263,077,125	261,312,125
- Percentage of Shares (As a Percentage of the total promoter and promoter group shareholding)	90.11%	90.11%	90.17%	90.11%
- Percentage of Shares (As a Percentage of the total Share Capital of the Company)	32.31%	45.24%	52.85%	45.24%
b) Non Encumbered				
- Number of Shares	28,680,501	28,680,501	28,680,501	28,680,501
- Percentage of Shares (As a Percentage of the total promoter and promoter group shareholding)	9.89%	9.89%	9.83%	9.89%
- Percentage of Shares (As a Percentage of the total Share Capital of the Company)	3.55%	4.97%	5.76%	4.97%



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Particulars	Quarter ended June 30, 2012
B. Investor Complaints	
Pending at the beginning of the quarter	NIL
Received during the quarter	NIL
Disposed of during the quarter	NIL
Remaining unresolved at the end of the quarter	NIL

Notes:

- The above financial results which have been subjected to limited review by the Statutory Auditors of the Company, have been approved by the Board of Directors at its meeting held on August 10, 2012.
- The company has ceased its international operations during the quarter. The aggregate turnover of these operations does not exceed 10% of the total turnover of the company and hence no disclosure of geographical segment information is made.
- Deferred Tax Asset is recognized on account of unabsorbed depreciation and business losses for the quarter ended June 30, 2012 aggregating to Rs.31,225.74 Lacs. The management is of the opinion that there is a virtual certainty supported by convincing evidence against which such deferred tax will be realized, notwithstanding that the Auditors have opined to the contrary.
- The Company has adopted the Exposure Draft on Accounting Standard - 10 (Revised) 'Tangible Fixed Assets' which allows costs on major repairs and maintenance incurred to be amortized over the incremental life of the asset. The Company has extended the same treatment to costs incurred on major repairs and maintenance for engines pertaining to aircrafts acquired on operating lease. Had the Company not adopted this method of accounting, the loss before tax for the quarter and the loss after tax for the quarter would have been lower by Rs.2,194.34 Lacs and Rs.1,482.39 Lacs respectively. This revised accounting policy has been confirmed by an independent expert and in the opinion of the management, this accounting treatment has resulted in a fair depiction of the working results and the state of the affairs of the Company.
- During the quarter under review, all the outstanding 50,956,985 8% Optionally Convertible Debentures ("OCDs") of Rs. 100/- each were converted into equity shares of Rs. 10/- each, in accordance with their terms, upon exercise by the holders thereof of the option to convert such OCDs, as follows:
 - Allotment of 35,642,361 Equity Shares of Rs. 10/- each of the Company, pursuant to the conversion of 8,422,290 OCDs of Rs. 100/- each on April 10, 2012.
 - Allotment of 62,160,364 Equity Shares of Rs. 10/- each of the Company, pursuant to the conversion of 14,427,421 OCDs of Rs. 100/- each on April 24, 2012.
 - Allotment of 133,272,991 Equity Shares of Rs. 10/- each of your Company, pursuant to the conversion of 28,107,274 OCDs of Rs. 100/- each on June 23, 2012.Consequent to this conversion, the Company's paid-up equity capital stood increased from Rs. 5,776,472,740/- to Rs. 8,087,229,900/- on June 23, 2012. Post conversion of the OCDs, the Promoter Group holds a stake of 35.86% of the paid up equity share capital of the Company as of August 10, 2012.
- Restructuring / Idle Costs represents fixed cost associated with curtailment of operations during the period relating to aircrafts on ground. The details of such costs shown separately from their natural head constitutes of Lease Rentals Rs.13,854.14 Lacs, Employee Costs Rs.6,000.12 Lacs and Other Operating Expenses Rs.1,015.66 Lacs for the quarter ended June 30, 2012.
- In terms of agreements entered into with a certain party in respect of assets taken on lease, the Company is to pay lease rentals only in the event of breach of certain contractual obligations in future. The Company has sought extension of time to meet a part of its obligations which were to be fulfilled by June 30, 2012, which it is hopeful of receiving. No provision is considered necessary as the Company is confident of meeting the relevant obligations. Additionally, the use fees (hourly and cyclical utilization charge) paid in respect of these leased assets are, in accordance with the Company's understanding, treated as maintenance reserves. The Company is taking steps to formalize this understanding with the relevant lessors. In terms of the Company's accounting policy, these use fees are initially included under loans and advances and are expensed out to the profit and loss account at the time of incurrence of major maintenance expenditure / termination of agreements.
- In respect of certain aircrafts taken on finance lease (book value as at June 30, 2012 Rs.24,110.34 lacs) (finance lease obligation outstanding as at June 30, 2012 Rs.23,562.87 lacs), the concerned lessors have terminated the relevant lease agreements in the light of events of default by the Company and the aircrafts stand deregistered from its name during the quarter under review. The Company is in the process of negotiation with the concerned lessors to purchase the aircrafts. Pending finalization, no adjustments have been made in the financial results.
- In respect of certain agreements entered into for lease of aircrafts prior to March 31, 2007, the Company's applications for exemption under section 10(15A) of the Income Tax Act, 1961, has been rejected by the Central Board of Direct Taxes and upheld by the High Court of Delhi ('Court'). The Company is in the process of filing a special leave petition to the Supreme Court of India from the order of the Court confirming the rejection of exemption. The management believes, based on internal assessment, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the resultant tax liability is considered necessary (estimated at Rs.40,339.47 Lacs not taking into account any demands that may be raised for other agreements, based on the order of the Court).
- The Company has terminated certain agreements entered into with parties as a cost rationalisation measure. The Company is in discussion with the relevant parties to finalise the amount of compensation and other costs, if any payable by it. The same will be accounted on final determination of the matter. In the opinion of the management, this amount is not likely to be material.
- Pursuant to the directives issued by the consortium bankers, pursuant to Reserve Bank of India guidelines, no provision has been made in the books of accounts for commission payable in respect of guarantees issued by the guarantors to the Company's bankers/ others for the year, estimated at Rs. 2,802.64 Lacs for the period April 2012 to June 2012 (Estimated aggregate amount as on June 30, 2012 Rs. 16,574.94 Lacs).
- The Company has incurred substantial losses and its network has been eroded. However, having regard to capital raising plans, group support, the request made by the Company to its bankers for further credit facilities, planned reconfiguration of aircrafts and other factors, these financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.
- Previous period/ year figures have been reclassified to confirm with current period/ year presentation, wherever applicable.

By Authority of the Board

Dr. Vijay Mallya
Chairman & Managing Director

Place : Mumbai
Date : August 10, 2012

Kingfisher reduces operating losses by implementing a holding plan while it waits for recapitalization

In Q1 FY13, Kingfisher Airlines halved its operating losses to Rs. 204 crore from Rs. 429 crore in Q1 FY12. This was achieved by reducing the level of operations in this high cost environment through a 20 aircraft 'Holding Operation'.

However the impact of high fuel cost, high interest rate, depreciation of Indian Rupee and extraordinary expenses on account of return of aircraft to the lessors and the costs associated with non-operating aircraft, resulted in a loss after tax of Rs. 651 crore.

The UB Group provided cash support of over Rs. 750 crore to the airline to meet its cash flow requirements.

Kingfisher continues to believe it will get recapitalized and get on a path of sustained profitability. The airline is in discussions with several strategic and financial investors to bring fresh capital.