



November 7, 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 September 30, 2012

Please find enclosed the Unaudited Financial Results alongwith the Limited Review Report for the Quarter ended September 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**

Bharath Raghavan
Chief Legal Officer & Company Secretary

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 Malliya Road, Bangalore - 560 001, India.



Part I - Statement of Unaudited Financial Results for the Quarter and Half Year ended September 30, 2012

Particulars	(Rs. in Lacs)					
	Quarter ended September 30, 2012	Quarter ended June 30, 2012	Quarter ended September 30, 2011	Half Year ended September 30, 2012	Half Year ended September 30, 2011	Year Ended March 31, 2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from Operations	20,000.13	30,138.15	1,55,287.21	50,138.28	3,45,988.88	5,59,043.19
2. Expenditure						
a. Employee Costs	4,701.12	5,888.38	18,321.54	10,589.50	35,688.26	66,950.65
b. Aircraft Lease Rental	3,218.15	5,702.04	24,878.23	8,920.19	49,608.41	86,845.15
c. Aircraft Fuel	16,645.71	23,278.38	81,681.90	39,924.09	1,66,195.11	2,94,588.58
d. Other Operating Expenses	15,132.13	19,380.75	67,602.89	34,512.88	1,34,168.37	2,18,333.09
e. Depreciation/ Amortisation	5,802.24	5,552.60	7,852.85	11,354.84	16,507.44	34,186.59
3. Profit/ (Loss) from Operations before Other Income, Finance Costs, Redelivery Costs, Restructuring/Idle Costs, Exchange (Loss)/ Gain, Prior Period Item (1 - 2)	(25,499.22)	(29,664.00)	(45,050.20)	(55,163.22)	(56,178.71)	(1,41,860.87)
4. Other Income	3,513.26	7,240.79	2,314.07	10,754.05	5,250.60	22,151.40
5. Profit/ (Loss) from Operations before Finance Costs, Redelivery Costs, Restructuring/ Idle Costs, Exchange (Loss)/ Gain, Prior Period Item (3 + 4)	(21,985.96)	(22,423.21)	(42,736.13)	(44,409.17)	(50,928.11)	(1,19,709.47)
6. Finance Costs	40,143.13	38,334.88	33,438.13	78,813.00	64,018.37	1,27,633.52
7. Profit/ (Loss) after Finance Costs but before Redelivery Costs, Restructuring/ Idle Costs, Exchange (Loss)/ Gain, Prior Period Item and Tax (5 - 6)	(62,129.09)	(60,758.09)	(76,174.26)	(1,23,222.17)	(1,14,946.48)	(2,47,342.99)
8a. Redelivery Costs	23,344.00	16,734.33	1,096.96	40,078.33	1,564.36	74,344.72
8b. Restructuring / Idle Costs	21,471.33	20,869.92	-	42,341.25	-	33,820.00
8c. Exchange Loss/ (Gain)	2,907.77	(2,027.78)	(7,895.42)	879.99	(8,123.29)	(10,898.50)
8d. Prior Period Item	1,694.50	-	-	1,359.51	-	-
9. Profit/ (Loss) from Ordinary Activities before Tax (7 - 8a - 8b - 8c - 8d)	(1,11,546.69)	(96,334.56)	(69,375.80)	(2,07,881.25)	(1,08,387.55)	(3,44,609.21)
10. Tax Expense						
- Current Tax	-	-	-	-	-	-
- Deferred Tax Asset	(36,191.32)	(31,255.74)	(22,508.98)	(67,447.06)	(35,166.34)	(1,11,808.46)
11. Profit/ (Loss) from Ordinary Activities after Tax (9 - 10)	(75,355.37)	(65,078.82)	(46,866.82)	(1,40,434.19)	(73,221.21)	(2,32,800.75)
12. Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	80,872.30	80,872.30	49,777.92	80,872.30	49,777.92	57,764.73
13. Reserves as per Balance Sheet of Previous Accounting Year (Excluding Revaluation Reserve)	N.A.	N.A.	N.A.	N.A.	N.A.	(6,21,314.83)
14. Earnings per Share (of Face value Rs. 10/- each) (not annualised) (Basic and Diluted)	(9.42)	(9.94)	(9.67)	(19.36)	(15.23)	(46.92)

Part II - Select Information for the Quarter and Half Year Ended September 30, 2012

Particulars	(Rs. in Lacs)					
	Quarter ended September 30, 2012	Quarter ended June 30, 2012	Quarter ended September 30, 2011	Half Year ended September 30, 2012	Half Year ended September 30, 2011	Year Ended March 31, 2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A. Particulars of Shareholding						
1. Public Shareholding						
- Number of Shares	51,89,30,364	51,87,30,364	20,60,21,597	51,89,30,364	20,60,21,597	28,76,54,648
- Percentage of Shareholding	64.16%	64.14%	41.39%	64.16%	41.39%	49.80%
2. Promoter and Promoter Group Shareholding						
a) Pledged/ Encumbered						
- Number of Shares	26,11,12,125	26,13,12,125	26,30,77,125	26,11,12,125	26,30,77,125	26,13,12,125
- Percentage of Shares (As a Percentage of the total promoter and promoter group shareholding)	90.10%	90.11%	90.17%	90.10%	90.17%	90.11%
- Percentage of Shares (As a Percentage of the total Share Capital of the Company)	32.29%	32.31%	52.85%	32.29%	52.85%	45.24%
b) Non Encumbered						
- Number of Shares	2,86,80,501	2,86,80,501	2,86,80,501	2,86,80,501	2,86,80,501	2,86,80,501
- Percentage of Shares (As a Percentage of the total promoter and promoter group shareholding)	9.90%	9.89%	9.83%	9.90%	9.83%	9.89%
- Percentage of Shares (As a Percentage of the total Share Capital of the Company)	3.55%	3.55%	5.76%	3.55%	5.76%	4.97%

Particulars	Quarter ended September 30, 2012
B. Investor Complaints	
Pending at the beginning of the quarter	Nil
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	Nil

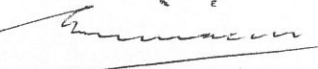
Statement of Assets and Liabilities as at September 30, 2012

PARTICULARS	(Rs. in Lacs)	
	As at September 30, 2012	As at March 31, 2012
	(Unaudited)	(Audited)
I. EQUITY AND LIABILITIES		
SHAREHOLDERS' FUNDS		
Share Capital	1,36,182.30	1,13,074.73
Reserves and Surplus	(7,33,899.61)	(6,21,314.83)
	(5,97,717.31)	(5,08,240.10)
NON - CURRENT LIABILITIES		
Long term borrowings	5,35,272.94	5,69,540.18
Other long term liabilities	1,129.38	1,150.13
Long term provisions	2,076.73	1,958.57
	5,38,479.05	5,72,648.88
CURRENT LIABILITIES		
Short term borrowings	3,28,038.20	2,33,459.66
Trade payables	2,89,983.29	2,81,651.86
Other current liabilities	3,41,533.97	3,21,864.34
Short term provisions	6,606.42	6,618.22
	9,66,161.88	8,43,594.08
TOTAL	9,06,923.62	9,08,002.86
II. ASSETS		
NON - CURRENT ASSETS		
Fixed Assets		
(i) Tangible assets	1,03,578.77	1,43,155.26
(ii) Intangible assets	657.42	1,147.49
	1,04,236.19	1,44,302.75
Non - current investments	2.56	2.56
Deferred tax assets (Net)	4,72,033.83	4,04,586.77
Long term loans and advances	1,77,235.82	1,92,205.56
Other non current assets	4,475.70	5,021.69
	7,57,984.09	7,46,119.33
CURRENT ASSETS		
Inventories	19,516.21	20,478.51
Trade receivables	16,987.03	18,759.37
Cash and cash equivalents	14,852.16	18,226.73
Short term loans and advances	96,438.20	1,03,209.77
Other Current assets	1,145.93	1,209.15
	1,48,939.53	1,61,883.53
TOTAL	9,06,923.62	9,08,002.86

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 November 7, 2012.
- The Company did not have any international operations during the quarter and hence no disclosure for geographical segment information is made.
- During the quarter under review, the Company's difficult cash flow situation continued due to various factors resulting in inter alia, in delay of salaries and a curtailed operational fleet. This resulted in a certain section of the employees resorting to flash strikes which resulted in disruption of the Company's scheduled operations. The Company was forced to declare a partial lockout which resulted in a show cause notice being issued by Director General of Civil Aviation, Government of India (DGCA) to the company. The DGCA has temporarily suspended the Company's Scheduled Air Operator's Permit, inter alia, as a result of frequent cancellations of flights due to employee unrest, till such time the Company submits a concrete and reliable plan ensuring safe, reliable, efficient and sustainable Scheduled Air Transport Services. The Company has settled its disputes with its employees who have all returned to work and is in the process of submitting the revival plan to DGCA and is confident that it will be able to have the suspension of the operating permit revoked and resume operations at the earliest.
- Deferred Tax Asset is recognized on account of unabsorbed depreciation and business losses for the quarter ended September 30, 2012 aggregating to Rs.36,191.32 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 and the loss after tax for the quarter ending on September 30, 2012 would have been lower by Rs.8,369.21 Lacs and Rs.5,653.82 Lacs respectively whereas the loss for the half year before tax and loss for the half year after tax ending on September 30, 2012 would have been lower by Rs.10,563.55 Lacs and Rs.7,136.20 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.
- Restructuring / Idle Costs represents fixed cost associated with curtailment of operations during the period relating to aircraft on ground. The details of such costs shown separately from their natural heads constitute for the quarter ended September 30, 2012, of Lease Rentals Rs.16,559.47 Lacs (six months ended September 30, 2012 Rs.30,413.62 Lacs)(year ended March 31, 2012 Rs.19,000.29 Lacs), Employee Costs Rs.4,200.00 Lacs (six months ended September 30, 2012 Rs. Rs.10,200.12 Lacs)(year ended March 31, 2012 Rs.400.73 Lacs) and Other Operating Expenses Rs.711.86 Lacs (six months ended September 30, 2012 Rs.1,727.51Lacs)(year ended March 31, 2012 Rs.14,418.98 Lacs).
- 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 September 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 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 the High Court of Delhi('Court'). The Company is in the process of filing a special leave petition (SLP) to the Supreme Court of India over the order of the Court confirming the rejection of exemption along with a petition for condonation of delay in filing the SLP. 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.53,547.36 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. Certain parties have also terminated the agreements entered into with the Company in view of defaults by it. The Company is in discussion with the relevant parties to finalise the amount of compensation and other costs, if any payable by it, as well as to persuade the parties to desist from such cancellations. 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 estimated at Rs.2,536.20 Lacs for the period July 2012 to September 2012 (Estimated amount for the period from April to September Rs.5,053.63 Lacs) (Estimated aggregate amount as on September 30, 2012 Rs.17,466.42 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 aircraft and the revival plan proposed to be submitted to the DGCA for restoration of the scheduled operators permit, 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.
- Segregation between current and non current liabilities /assets as at September 30, 2012 and March 31, 2012 have been done on an estimated basis in certain cases due to non availability of precise data. 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

Kingfisher Airlines Limited Announces Quarterly Results in line with its expectations

Mumbai, November 7, 2012—Kingfisher Airlines has been in a holding pattern, operating a limited schedule since March 2012.

Kingfisher Airlines reported an operating loss for Q2 2012 of Rs. 220 Crores.

After adjusting for finance cost of Rs. 401 Crores, a one-time cost of Rs. 448 Crores due to re-delivery of aircraft and restructuring / idle costs and taxes, the net loss was Rs. 754 Crores.

Kingfisher Airlines is preparing a comprehensive plan for re-start of operations which will be shared with the DGCA and bankers.

The airline is in discussion with various stakeholders to ensure that there are no future disruptions. Kingfisher Airlines expects to resume operations in the near future.