

Kingfisher Airlines

Financial Results - Q3 FY12

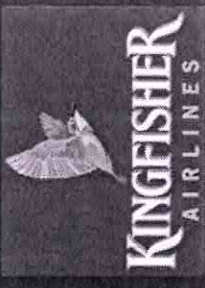


Agenda



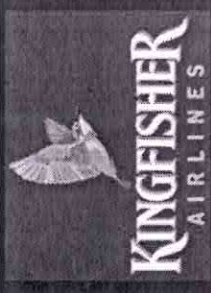
- Domestic Operating Environment
- Financial Performance : Q3 FY12

Domestic Operating Environment



- The aviation industry recorded 12% growth in domestic demand in Q3 FY12 over the same quarter last year
- However capacity addition by the industry outstripped demand with 17% capacity being added as compared to the same quarter last year
- Consequently seat factor in the industry declined to 74% in Q3 FY12 versus 77% in Q3 FY11
- Crude oil price has remained well above the USD 100 mark and shown frequent fluctuations between USD 100 and USD 120 during this quarter
- Steep depreciation of the Indian Rupee coupled with consistently high crude oil prices has led to a challenging quarter for the Indian aviation industry

Agenda



- Domestic Operating Environment

- **Financial Performance : Q3 FY12**

Overall company performance highlights: Q3 FY12



- **Operating revenue of Rs. 1,342 Cr (-19% over Q3 FY11)**
 - Passenger revenue declined by 16% over Q3 FY11
 - Other operating revenue declined by 37% over Q3 FY11
- **EBITDA loss of Rs. 147 Cr vs. profit of Rs. 40 Cr in Q3 FY11 (a decline of Rs. 187 Cr over Q3 FY11)**
 - Negative EBITDA margin primarily due to Rs. 199 Cr of additional fuel cost impact in Q3 FY12 as compared to Q3 FY11
 - EBITDA margin declined from +2.5% to -9.5%
- **EBITDAR profit of Rs. 125 Cr vs. Rs. 284 Cr in Q3 FY11 (a decline of Rs. 159 Cr over Q3 FY11)**
 - EBITDAR margin declined from +17.5% to +8.1%
- **Total RASK declined to Rs. 4.03 from Rs. 4.04 in Q3 FY11**
 - Passenger RASK declined by 12% over Q3 FY11 (Rs. 3.55 to Rs. 3.12)
- **CASK (EBITDA) increased to Rs. 4.42 from Rs. 3.94 in Q3 FY11 (+12%)**
 - Ex-fuel EBITDA CASK declined by 4% over Q3 FY11 (Rs. 2.60 to Rs. 2.49)

Company Operating Parameters – Q3 FY12



Parameters	Oct 11 – Dec 11 (Q3 FY12)	Oct 10 – Dec 10 (Q3 FY11)	Better / (Worse) %
No of Departures	26,757	30,883	(13%)
ASKMs (Million)	3,835	4,026	(5%)
RPKMs (Million)	2,886	3,364	(14%)
Passenger LF%	75.2%	83.6%	(8.4 points)
Block Hours	49,232	55,463	(11%)
Revenue Passengers (Million)	2.63	3.10	(15%)
Total Revenue per ASKM (INR)	4.03	4.04	(0.1%)
Cost per ASKM (INR)	4.42	3.94	(12%)
Ex Fuel Cost per ASKM (INR)	2.49	2.60	4%
Average Gross Revenue per passenger in INR	4,560	4,606	(1%)
Period ended Fleet Size	64	66	

Note: (1) Cost per ASKM is calculated at EBITDA cost level

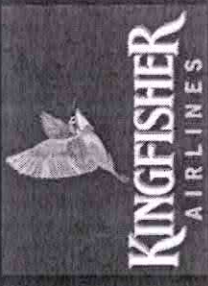
Company P&L – Q3 FY12



Rs. Crore	Oct 11 – Dec 11 (Q3 FY12)	Oct 10 – Dec 10 (Q3 FY11)	Better / (Worse) %
INCOME			
Operating Revenue	1,342	1,659	(19%)
Non Operating Revenues	205	(34)	-
Total Revenues	1,547	1,625	(5%)
EXPENDITURE			
Employee Remuneration & Benefits	176	168	(5%)
Aircraft Fuel Expenses	739	540	(37%)
Other Operating Expenses	508	632	20%
EBITDAR	125	284	(56%)
Aircraft Lease Rentals	272	244	(11%)
Total Operating expenditure	1,694	1,585	(7%)
EBITDA	(147)	40	-
Depreciation	84	61	(36%)
Interest and finance charges	347	340	(2%)
Total Expenditure	2,125	1,986	(7%)
Loss before exceptional items and Tax	(578)	(361)	(60%)
Exceptional Items	80	19	(316%)
Provision for taxation	(213)	(126)	69%
PROFIT / (LOSS) AFTER TAXATION	(444)	(254)	(75%)

(*) – Q3 FY11 results have been re-classified where relevant

Domestic operations performance highlights: Q3 FY12



- **Operating revenue of Rs. 979 Cr (-22% over Q3 FY11)**
 - 19% decrease in passenger revenue alongside 5% reduction in capacity
- **EBITDA loss of Rs. 42 Cr vs. profit of Rs. 43 Cr in Q3 FY11 (A decline of Rs. 85 Cr over Q3 FY11)**
 - EBITDA loss of only 42 Cr primarily due to Rs. 135 Cr of additional fuel cost impact in Q3 FY12 as compared to Q3 FY11
 - Domestic EBITDA margin declined from +3.5% to -3.5%
- **EBITDAR profit of Rs. 161 Cr vs. Rs. 225 Cr in Q3 FY11 (A decline of Rs. 64 Cr over Q3 FY11)**
 - Domestic EBITDAR margin declined from 18.4% to 13.6% in Q3 FY12
- **Total RASK improved to Rs. 4.77 from Rs. 4.69 in Q3 FY11 (+2%)**
 - Passenger RASK declined by 14% over Q3 FY11 (Rs. 4.19 to Rs. 3.59)
- **CASK (EBITDA) increased to Rs. 4.94 from Rs. 4.52 in Q3 FY11 (+9%)**
 - Ex-fuel EBITDA CASK declined by 7% over Q3 FY11 (Rs. 3.11 to Rs. 2.91)

Domestic Operating Parameters – Q3 FY12



Parameters	Oct 11 – Dec 11 (Q3 FY12)	Oct 10 – Dec 10 (Q3 FY11)	Better / (Worse) %
No of Departures	24,110	28,396	(15%)
ASKMs (Million)	2,482	2,617	(5%)
RPKMs (Million)	1,963	2,265	(13%)
Passenger LF%	79.1%	86.5%	(7.4 points)
Block Hours	38,530	44,547	(14%)
Revenue Passengers (Million)	2.34	2.78	(16%)
Total Revenue per ASKM (INR)	4.77	4.69	2%
Cost per ASKM (INR)	4.94	4.52	(9%)
Ex Fuel Cost per ASKM (INR)	2.91	3.11	7%
Average Gross Revenue per passenger in INR	3,804	3,940	(3%)

Note: (1) Cost per ASKM is calculated at EBITDA cost level

Domestic P&L – Q3 FY12



Rs. Crore	Oct 11 – Dec 11 (Q3 FY12)	Oct 10 – Dec 10 (Q3 FY11)	Better / (Worse) %
INCOME			
Operating Revenue	979	1,261	(22%)
Non Operating Revenues	205	(34)	-
Total Revenues	1,184	1,227	(3%)
EXPENDITURE			
Employee Remuneration & Benefits	154	144	(7%)
Aircraft Fuel Expenses	504	369	(37%)
Other Operating Expenses	366	489	25%
EBITDAR	161	225	(28%)
Aircraft Lease Rentals	203	182	(12%)
Total Operating Expenditure	1,226	1,184	(4%)
EBITDA	(42)	43	-

International operations performance highlights: Q3 FY12



- **Operating revenue of Rs. 363 Cr (-9% over Q3 FY11)**
 - 9% decline in passenger revenues with a 4% decrease in capacity
- **EBITDA loss of Rs. 105 Cr vs. loss of Rs. 3 Cr in Q3 FY11 (A decline of Rs. 102 Cr over Q3 FY11)**
 - EBITDA loss increased by Rs. 102 Cr primarily driven by Rs. 64 Cr of additional fuel cost impact in Q3 FY12 as compared to Q3 FY11
- **EBITDAR loss of Rs. 36 Cr vs. profit of Rs. 59 Cr in Q3 FY11 (A decline of Rs. 95 Cr over Q3 FY11)**
 - International EBITDAR margin declined from 14.9% to -9.9 % in Q3 FY12
- **Total RASK declined to Rs. 2.68 from Rs. 2.83 in Q3 FY11 (-5%)**
 - Passenger RASK declined by 5% over Q3 FY11 (Rs. 2.37 to Rs. 2.26)
- **CASK (EBITDA) increased to Rs. 3.46 from Rs. 2.85 in Q3 FY12 (22%)**
 - Ex-fuel EBITDA CASK increased by 6% over Q3 FY11 (Rs. 1.63 to Rs. 1.72)

International Operating Parameters – Q3 FY12



Parameters	Oct 11 – Dec 11 (Q3 FY12)	Oct 10 – Dec 10 (Q3 FY11)	Better / (Worse) %
No of Departures	2,647	2,487	6%
ASKMs (Million)	1,354	1,408	(4%)
RPKMs (Million)	923	1,098	(16%)
Passenger LF%	68.2%	78.0%	(9.8 points)
Block Hours	10,702	10,917	(2%)
Revenue Passengers (Million)	0.28	0.32	(13%)
Total Revenue per ASKM in INR	2.68	2.83	(5%)
Cost per ASKM in INR	3.46	2.85	(22%)
Ex Fuel Cost per ASKM (INR)	1.72	1.63	(6%)
Average Gross Revenue per passenger in INR	10,864	10,332	5%

Note: (1) Cost per ASKM is calculated at EBITDA cost level

International P&L – Q3 FY12



Rs. Crore	Oct 11 – Dec 11 (Q3 FY12)	Oct 10 – Dec 10 (Q3 FY11)	Better / (Worse) %
INCOME			
Operating Revenue	363	398	(9%)
Non Operating Revenues	-	-	-
Total Revenues	363	398	(9%)
EXPENDITURE			
Employee Remuneration & Benefits	22	24	8%
Aircraft Fuel Expenses	235	172	(37%)
Other Operating Expenses	142	143	1%
EBITDAR	(36)	59	-
Aircraft Lease Rentals	69	62	(11%)
Total Operating Expenditure	469	401	(17%)
EBITDA	(105)	(3)	-