

Kingfisher Airlines

Financial Results - Q2 FY12





Agenda

• Domestic Operating Environment

• Financial Performance : Q2 FY12

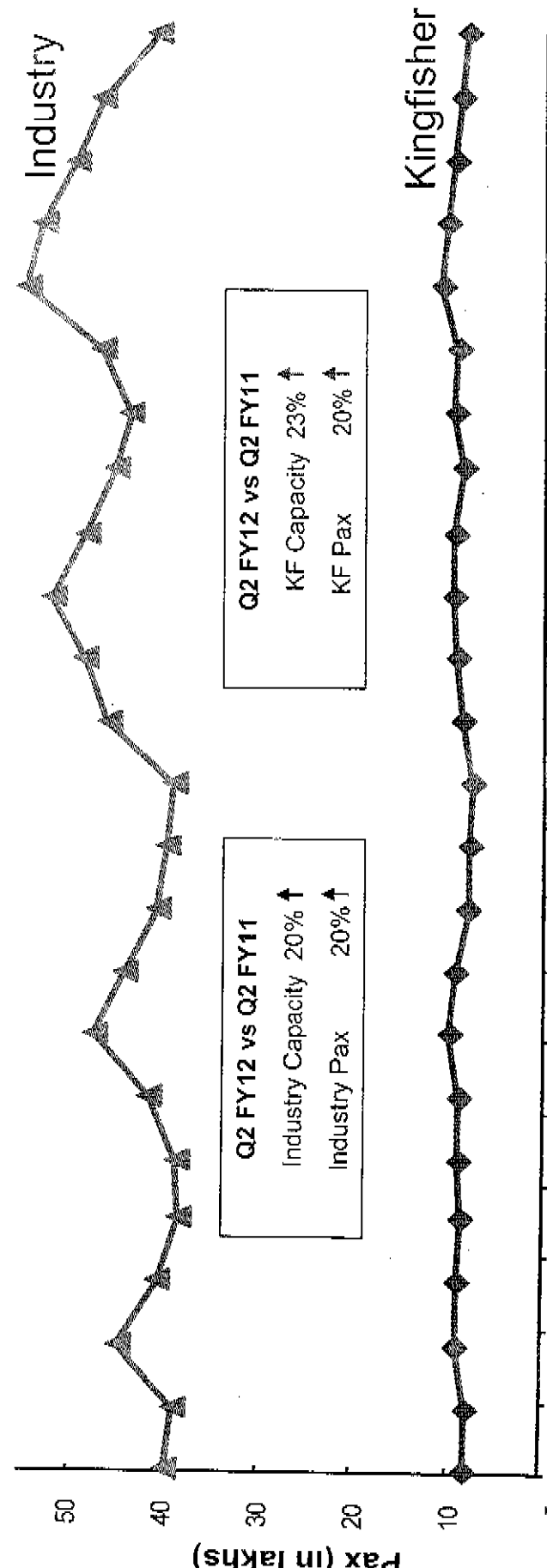
Domestic Operating Environment



- The aviation industry growth has continued in Q2 FY12 with 20% growth in domestic demand over the same quarter (Jul-Sep'10) last year
- Capacity addition was also continued in the industry with 20% capacity enhancement vis-à-vis the same period last year
- The load factor in the industry remained stable at 72% in Q2 FY12 versus Q2 FY11 as capacity addition closely matched demand growth
- Yields continued to be under pressure in the industry
- Crude oil price has continued above the USD100 mark and shown frequent fluctuations between USD 100 -120 during this quarter



- KFA's load factor at 77% continued to be higher than the industry at 72%
- KFA's capacity addition in Q2-FY12 is higher than Q2-FY11 due to unplanned grounding of aircraft in the same period last year



Oct-09 Nov-09 Dec-09 Jan-10 Feb-10 Mar-10 Apr-10 May-10 Jun-10 Jul-10 Aug-10 Sep-10 Oct-10 Nov-10 Dec-10 Jan-11 Feb-11 Mar-11 Apr-11 May-11 Jun-11 Jul-11 Aug-11 Sep-11

Source - DGCA Data



Agenda

- Domestic Operating Environment
- Financial Performance : Q2 FY12



Overall company performance highlights: Q2 FY12

- **Operating revenue of Rs. 1,528 Cr (+7% over Q2 FY11)**
 - Passenger revenue growth of +10% over Q2 FY11
- **EBITDA loss of Rs. 271 Cr vs. profit of Rs. 55 Cr in Q2 FY11**
 - EBITDA margin declined from +3.6% to -16.7%
- **EBITDAR loss of Rs. 23 Cr vs. profit of Rs. 307 Cr in Q2 FY11**
 - EBITDAR margin declined from +20.3% to -1.4%
- **Total RASK declined to Rs. 3.69 from Rs. 4.03 in Q2 FY11 (-8%)**
 - Pax RASK decreased by 7% over Q2 FY11 (Rs. 3.09 from Rs. 3.31)
- **CASK (EBITDA) increased to Rs. 4.31 from Rs. 3.89 in Q2 FY11 (+11%)**
 - Fuel CASK increased by 45% over Q2 FY11 (Rs. 1.85 from Rs. 1.28)
 - Ex-fuel EBITDA CASK decreased by 6% over Q2 FY11 (Rs. 2.46 from Rs. 2.61)

Company Operating Parameters – Q2 FY12



Parameters	Jul'11 – Sep'11 (Q2 FY12)	Jul'10 – Sep'10 (Q2 FY11)	Better / (Worse) %
No of Departures	32,926	30,277	9%
ASKMs (Million)	4,414	3,757	17%
RPKMs (Million)	3,337	2,967	12%
Passenger LF%	76%	79%	-3 points
Block Hours	60,074	54,783	10%
Revenue Passengers (Million)	3.01	2.69	12%
Total Revenue per ASKM (INR)	3.69	4.03	(8%)
Cost per ASKM (INR)	4.31	3.89	(11%)
Ex Fuel Cost per ASKM (INR)	2.46	2.61	6%
Average Gross Revenue per passenger in INR	4,531	4,620	(2%)
Period ended Fleet Size	66	66	

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

Company P&L – Q2 FY12



Rs. Crore	Jul'11 - Sep'11 (Q2 FY12)	Jul'10 - Sep'10 (Q2 FY11)	Better / (Worse) %
INCOME			
Operating Revenue	1,528	1,434	7%
Non Operating Revenues	102	82	25%
Total Revenues	1,630	1,516	8%
EXPENDITURE			
Employee Remuneration & Benefits	183	173	(6%)
Aircraft Fuel Expenses	817	480	(70%)
Other Operating Expenses	653	556	(17%)
EBITDAR	(23)	307	
Aircraft Lease Rentals	249	252	1%
Total Operating expenditure	1,902	1,461	(30%)
EBITDA	(271)	55	
Depreciation	79	53	(48%)
Interest and finance charges	333	363	8%
Total Expenditure	2,313	1,876	(23%)
Loss before exceptional items and Tax	(683)	(361)	
Exceptional Items	11	2	
Provision for taxation	(225)	(131)	
PROFIT / (LOSS) AFTER TAXATION	(469)	(231)	

(*) – Q2 FY11 results have been re-classified where relevant



Domestic operations performance highlights: Q2 FY12

- **Operating revenue of Rs. 1,145 Cr (5% over Q2 FY11)**
 - 9% increase in passenger revenue.
- **EBITDA loss of Rs. 195 Cr vs. profit of Rs. 108 Cr in Q2 FY11**
 - Domestic EBITDA margin declined from +9.3% to -15.7%
- **EBITDAR loss of Rs. 10 Cr vs. profit of Rs. 289 Cr in Q2 FY11**
 - Domestic EBITDAR margin declined from 24.7% to -0.8% in Q2 FY12
- **Total RASK declined to Rs. 4.24 from Rs. 5.02 in Q2 FY11 (-16%)**
 - Pax RASK decreased by 14% over Q2 FY11 (Rs. 3.56 from Rs. 4.13)
- **CASK (EBITDA) increased to Rs. 4.90 from Rs. 4.56 in Q2 FY11 (+8%)**
 - Fuel CASK increased by 48% over Q2 FY11 (Rs. 2.00 from Rs. 1.35)
 - Ex-fuel EBITDA CASK decreased by 10% over Q2 FY11 (Rs. 2.90 from Rs. 3.21)

Domestic Operating Parameters – Q2 FY12



Parameters	Jul'11 – Sep'11 (Q2 FY12)	Jul'10 – Sep'10 (Q2 FY11)	Better / (Worse) %
No of Departures	30,399	27,805	9%
ASKMs (Million)	2,944	2,332	26%
RPKMs (Million)	2,261	1,909	18%
Passenger LF%	77%	82%	-5 points
Block Hours	49,066	44,013	11%
Revenue Passengers (Million)	2.70	2.38	13%
Revenue per ASKM (INR)	4.24	5.02	(16%)
Cost per ASKM (INR)	4.90	4.56	(8%)
Ex Fuel Cost per ASKM (INR)	2.90	3.21	10%
Average Gross Revenue per passenger in INR	3,885	4,042	(4%)

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

Domestic P&L – Q2 FY12



Rs. Crore	Jul'11 - Sep'11 (Q2 FY12)	Jul'10 - Sep'10 (Q2 FY11)	Better / (Worse) %
INCOME			
Operating Revenue	1,145	1,089	5%
Non Operating Revenues	102	82	25%
Total Revenues	1,247	1,171	7%
EXPENDITURE			
Employee Remuneration & Benefits	161	148	(9%)
Aircraft Fuel Expenses	588	314	(87%)
Other Operating Expenses	508	419	(21%)
EBITDAR	(10)	289	
Aircraft Lease Rentals	185	181	(2%)
Total Operating Expenditure	1,443	1,063	(36%)
EBITDA	(195)	108	

(*) – Q2 FY11 results have been re-classified where relevant

The logo for Kingfisher Airlines, featuring a stylized white bird in flight above the text "KINGFISHER AIRLINES".

**KINGFISHER
AIRLINES**

International operations performance highlights: Q2 FY12

- **Operating revenue of Rs. 383 Cr (+11% over Q2 FY11)**
 - 13% increase in passenger revenues with a 3% increase in capacity
- **EBITDA loss of Rs. 76 Cr vs. loss of Rs. 53 Cr in Q2 FY11**
 - EBITDA loss increased by Rs. 23 Cr despite Rs. 63 Cr of additional fuel cost impact in Q2 FY12 as compared to Q2 FY11
 - International EBITDA margin dropped from -15.5% to -19.8% in Q2 FY12
- **EBITDAR loss of Rs. 12 Cr vs. profit of Rs. 18 Cr in Q2 FY11**
 - International EBITDAR margin dropped from 5.1% to -3.2% in Q2 FY12
- **Total RASK improved to Rs. 2.61 from Rs. 2.42 in Q1 FY11 (+8%)**
 - Pax RASK growth of +9% over Q2 FY11 (Rs. 2.15 from Rs. 1.97)
 - ATV improved by 11% over same period last year
- **CASK (EBITDA) increased to Rs. 3.12 from Rs. 2.79 in Q2 FY11 (12%)**
 - Fuel CASK increased by 34% over Q2 FY 11 (Rs. 1.55 from Rs. 1.16)
 - Ex-fuel EBITDA CASK decreased by 4% over Q2 FY 11 (Rs. 1.57 from Rs. 1.63)

International Operating Parameters – Q2 FY12



Parameters	Jul'11 – Sep'11 (Q2 FY12)	Jul'10 – Sep'10 (Q2 FY11)	Better / (Worse) %
No of Departures	2,527	2,472	2%
ASKMs (Million)	1,471	1,425	3%
RPKMs (Million)	1,077	1,058	2%
Passenger LF%	73%	74%	-1 point
Block Hours	11,008	10,770	2%
Revenue Passengers (Million)	0.314	0.308	2%
Revenue per ASKM in INR	2.61	2.42	8%
Cost per ASKM in INR	3.12	2.79	(12%)
Ex Fuel Cost per ASKM (INR)	1.57	1.63	4%
Average Gross Revenue per passenger in INR	10,078	9,102	11%

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

International P&L – Q2 FY12



Rs. Crore	Jul'11- Sep'11 (Q2 FY12)	Jul'10 - Sep'10 (Q2 FY11)	Better / (Worse) %
INCOME			
Operating Revenue	383	345	11%
Non Operating Revenues	-	-	
Total Revenues	383	345	11%
EXPENDITURE			
Employee Remuneration & Benefits	22	25	9%
Aircraft Fuel Expenses	228	166	(38%)
Other Operating Expenses	145	137	(6%)
EBITDAR	(12)	18	
Aircraft Lease Rentals	64	71	10%
Total Operating Expenditure	459	398	(15%)
EBITDA	(76)	(53)	

(*) – Q2 FY11 results have been re-classified where relevant