



Kingfisher Airlines

Financial Results Q3 2010

Agenda



- Domestic Operating Environment
- Financial Performance : Q3 FY10 & YTD FY10



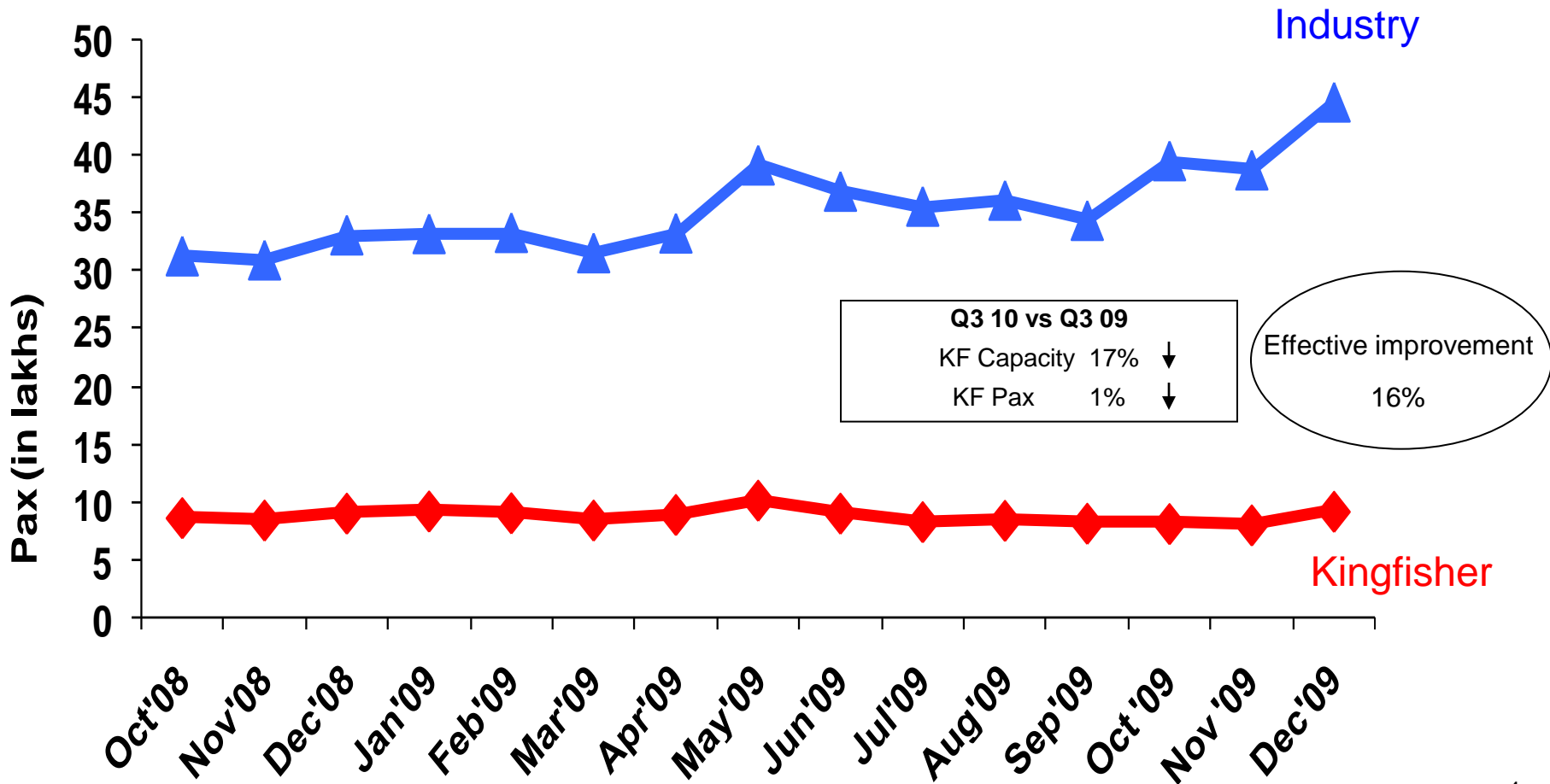
Domestic Operating Environment

- Passenger traffic for the Aviation Industry increased in Q3 FY 10 (+30.5% over Q3 last year). This buoyancy in passenger volumes is expected to continue as the Indian economy rebounds from the slowdown of early 2009.
- As capacity deployed remained stable, industry load factors showed a steep increase in the current quarter (~13% points increase from Q3 last year)
- Industry saw an improvement in YTD yields in both premium & economy segments.
- Premium traffic has seen a comeback with a sharp increase in loads on key sectors
- However, the fuel prices remain an unknown factor. Average fuel prices have risen by 20% from the beginning of the year compounded with high state sales taxes on ATF



Current Domestic Operating Environment

- Domestic traffic has shown a strong recovery in Q3 FY10 signaling the end of recession
- KF has improved effective market share (market share to capacity share ratio)



Agenda



- Domestic Operating Environment

- Financial Performance : Q3 FY10 & YTD FY10

Key Highlights Q3 FY 10



- Domestic operations have shown steady improvement - EBITDA profit of Rs 11 Cr in Q3 '10
 - Domestic revenue up 17% from Q2'10 driven by sharp improvement in ATV coupled with higher loads
 - Guests flown increased by 5% from Q2 '10 despite 3% reduction in capacity
 - Capacity deployed decreased by 1.06 lac seats from Q2 10 ; Guests flown increased by 1.14 lacs
 - RASK of domestic operations improved by over 7% from Q3 FY 09
 - CASK of Domestic operations reduced by 6% over Q3 FY09 on the back of several cost saving initiatives
 - Highest ever seat factor of 80.2% achieved during December 2009
- International operations initial performance in line with expectation - EBITDA Loss of Rs 89 Cr
 - International Revenues up 28 % from Q2 driven by strong loads on wide body routes
 - Guests flown have increased by 15%
 - Kingfisher has the highest market share on the Bombay/Hongkong sector (according to PAX IS data) in a short period of 4 months since launch
 - RASK of international operations has improved by over 100% from Q3 FY 09
 - CASK of International operations have reduced by ~ 50% over Q3 FY09

Financial Highlights: Q3 FY 10



- Total Operating Revenues of Rs 1353 Cr (-7% over Q3 FY 09)
(Domestic Revenues of Rs. 1194 Cr vs. Rs. 1420 Cr in Q3 FY 09)

Despite capacity reduction of 21% on domestic operations

- EBITDAR profit of Rs 185 Cr vs. Rs 65 Cr profit for Q3 FY 09
(Domestic EBITDAR of Rs. 216 Cr vs. Rs. 182 Cr in Q3 FY 09)

- EBITDA loss of **Rs. 77 Cr** vs. loss of **Rs. 297 Cr** in Q3 FY09
*(Domestic EBITDA profit of Rs. 11 Cr vs. loss of **Rs 122 Cr** in Q3 FY 09)*

Includes cost of Rs 80 Cr borne due to grounded aircraft

- Revenue passengers carried 2.74 Mn vs. 2.63 Mn (up 4% over Q3 FY09)



Company Operating Parameters – Q3 FY2010

Parameters	Oct 09 – Dec 09 (FY 2010)	Oct 08 – Dec 08 (FY 2009)	Variance (%)
No of Departures	32,776	38,331	-14.5%
ASKMs (Million)	3,568	3,856	-7.5%
RPKMs (Million)	2,662	2,318	+14.8%
Passenger LF%	74.6%	60.1%	+14.5 %
Block Hours	55,559	61,480	-9.6%
Revenue Passengers (Million)	2.74	2.63	+4.2%
Revenue per RPKM in INR	5.08	6.25	-18.7%
Cost per ASKM in INR	4.06	4.53	-10.4%
Average Gross Revenue per passenger in INR	4,934	5,510	-10.4%
Period ended Fleet Size	68	83	-19.2%
Average Fleet Size during period	69	85	-18.8%
Average Head Count	7,570	8,160	-7.2%

Company P&L – Q3 FY2010



	Oct 09 - Dec 09 (Rs. Cr)	Oct 08 - Dec 08 (Rs. Cr)	Variance %
INCOME			
Operating Revenue	1,353	1,448	-7%
Non Operating Revenues	18	4	+316%
Total Revenues	1,370	1,452	-5%
EXPENDITURE			
Employee Remuneration & Benefits	170	218	-22%
Aircraft Fuel Expenses	445	557	-20%
Other Operating Expenses	571	612	-7%
EBITDAR	185	65	+85%
Aircraft Lease Rentals	263	362	-28%
Total Operating expenditure	1,448	1,749	-17%
EBITDA	(78)	(297)	
Depreciation	54	48	+12%
Interest	289	235	+23%
Total Expenditure	1,791	2,032	-12%
Loss before exceptional items and Tax	421	580	-27%
Exceptional Item	218	47	
Provision for taxation	218	213	
PROFIT / (LOSS) AFTER TAXATION	(420)	(413)	+2%



Financial Highlights: YTD FY 2010

- Total Operating Revenues of Rs 3776 Cr (-9% over YTD FY 09)
(Domestic Revenues of Rs. 3412 Cr vs. Rs. 4132 Cr in YTD FY 09)
- EBITDAR profit of Rs 485 Cr vs. loss of **Rs 442 Cr** for YTD FY 09
*(Domestic EBITDAR of Rs. 679 Cr vs. loss of **Rs. 246 Cr** in Q3 FY 09) - improvement of Rs 925 Cr*
- EBITDA loss of **Rs. 355 Cr** vs. loss of **Rs. 1342 Cr** in YTD FY09
*(Domestic EBITDA profit of Rs.15 Cr vs. loss of **Rs 1058 Cr** in Q3 FY 09) - improvement of Rs 1073 Cr*
- Revenue passengers carried 8.22 Mn vs. 8.11 Mn (up 1.4% over YTD FY09)



Company Operating Parameters – YTD FY2010

Parameters	Apr 09 – Dec 09 (FY 2010)	Apr 08 – Dec 08 (FY 2009)	Variance (%)
No of Departures	103,993	118,780	-12.4%
ASKMs (Million)	11,070	11,752	-5.8%
RPKMs (Million)	7,877	7,127	+10.5%
Passenger LF%	71.2%	60.6%	+17.5%
Block Hours	173,778	188,442	-7.8%
Revenue Passengers (Million)	8.22	8.11	+1.4%
Revenue per RPKM in INR	4.79	5.85	-18.1%
Cost per ASKM in INR	3.77	4.70	-19.8%
Average Gross Revenue per passenger in INR	4,595	5,137	-10.6%

Company P&L – YTD FY2010



	Apr 09 - Dec 09 (Rs. Cr)	Apr 08 - Dec 08 (Rs. Cr)	Variance %
INCOME			
Operating Revenue	3,776	4,168	-9%
Non Operating Revenues	43	16	+169%
Total Revenues	3,819	4,184	-9%
EXPENDITURE			
Employee Remuneration & Benefits	531	620	-14%
Aircraft Fuel Expenses	1,319	2,267	-42%
Other Operating Expenses	1,484	1,739	-15%
EBITDAR	485	(442)	
Aircraft Lease Rentals	840	900	-7%
Total Operating Expenditure	4,175	5,526	-25%
EBITDA	(355)	(1,342)	
Depreciation	156	125	+25%
Interest	818	529	+55%
Total Expenditure	5,149	6,180	-17%
Loss before exceptional items and Tax	1329	1996	-33%
Exceptional Item	300	(459)	
Provision for taxation	(554)	(482)	
PROFIT / (LOSS) AFTER TAXATION	(1,075)	(1,055)	+2%



Key Initiatives

- Further Initiatives to generate higher revenues & improve consumer connect
 - New frequent flyer program launched with unique features like non-air rewards, family club etc.
 - New Internet booking engine driving greater consumer traffic towards online bookings
 - Incremental passenger connections generated through launch of 'One Stop Connect' campaign
- Stringent actions planned and undertaken to keep costs under control
 - Reduced lease costs by >25% (over Q3 FY09) through redelivery of non-operational aircrafts
 - Reduced personnel costs by >20% (over Q3 FY09) through replacing high cost expats
 - Planned to reduce Engineering costs by 10-15% by induction of new key vendor
 - Successfully implemented 'Fuel Monitoring System' for targeted reduction in fuel consumption
 - Exercised stringent controls across over heads to reduce costs e.g. Optimized office & warehouse spaces across all locations, planned reduction of communication costs etc.
- Planned expansion of International footprint
 - Plan to further utilize narrow body fleet on lucrative short haul markets