

### **SpiceJet announces Q3FY15 results (covering Oct – Dec 2014):**

- **Year-on-year capacity down 31%, revenues down 27%, costs down 20%**
- **Net loss (including one-off and exceptional costs\*) increased 59% year-on-year to Rs 275cr**
- **Excluding one-off and exceptional costs of Rs 295cr\*, company would have achieved net profit of Rs 20cr, compared to net loss of Rs 172cr in same quarter previous year**

*\* One-off and exceptional items include provisions for impact of fleet reductions and early contract terminations that significantly impact the quarter's numbers*

SpiceJet reported a net loss of Rs 275 cr in Q3FY15, higher than the net loss of Rs 172cr in the previous year same quarter. Excluding one-off and exceptional items that include MR write-offs, unproductive lease rentals, and provisions for impact of fleet reductions and early contract terminations, the company would have achieved net profit of Rs 20cr for the quarter.

Commenting on the results, Sanjiv Kapoor, SpiceJet's Chief Operating Officer noted, "The last quarter was an extremely challenging quarter for SpiceJet as legacy issues, accumulated losses, and delays in expected and required re-capitalization eventually led to aircraft fleet reductions and consequential cancellations of flights in what is traditionally one of the best quarters of the year".

"The impact of aircraft fleet reductions negatively impacted both revenues and costs, as we had to combine flights to handle cancellations which severely limited available inventory to sell at high yields during peak season, while having to incur distress costs and absorb fixed costs and overheads over a much lower capacity (ASK) base. Further, in order to quantify and account for liabilities related to early terminations of contracts, we have provisioned for costs related to those terminations where deemed necessary", added Kiran Koteshwar, Chief Financial Officer of SpiceJet. "With imminent re-capitalization, our focus going forward will be on re-negotiating contracts and settling outstandings, which are together expected to bring down costs considerably", Mr Koteshwar added.

"Despite all the aircraft and fleet reduction-related challenges, the company achieved a 5% higher unit revenue (RASK) on a year-on-year basis. Excluding one off and exceptional costs, the company would have achieved a profit of Rs 20cr for the quarter, even with the cancellations and impact on revenue", Mr Kapoor added. "The timing of our fleet reductions was unfortunate as it severely impacted our high season and more than negated the positive impact of declining fuel prices. However the worst is behind us now. Operations are now back to normal, the company is in the process of changing hands and being imminently re-capitalized, staff morale is high, customer confidence is rapidly returning as seen in our daily bookings and in the response to our sales and promos, and

the fleet is expected to grow again in time for the Summer schedule. All of this will allow us to benefit more strongly from fuel cost reductions as well as positive demand and macro-economic revenue-side trends, while we continue our efforts at building a more efficient, innovative, and customer-friendly airline that continues to be a trend setter in India”, Mr Kapoor concluded.

*Performance Summary on year-on-year basis (additional details in charts below):*

1. Capacity (Available Seat Km) down 31%, Total revenues down 27% (passenger revenues down 28%, ancillary revenues down 20%), and Total expenses (including one-off items and exceptional items and provisions related to fleet reductions and early contract terminations) down 20%
2. Load Factor up 18%, Total RASK (Revenue per Available Seat Km) up 5%, yield (Revenue per RPK) down 12% due to cancellations and clubbing of flights that resulted in less capacity available to sell at high yield in peak season
3. Total CASK (Cost per Available Seat Km) up 16%. Fuel CASK reduced by 14% while Non-Fuel CASK increased by 42% (driven by combination of one-off and exceptional costs, and unabsorbed fixed costs and overheads over 31% reduced capacity (ASKs)). Excluding one-off and exceptional items, Non-Fuel CASK increased by 8%, driven by fixed costs and overheads that had to be absorbed over a lower ASK base.
4. Year-over-Year net loss (including one-off items and exceptional items and provisions related to fleet reductions and early lease terminations) increased 59% in Q3FY15, from Rs 172cr in Q3FY14 to 275cr in Q3FY15 (an increase of Rs 103cr). EBITDA for the quarter was negative Rs 195cr, and EBITDAR was positive 20cr (compared to negative 110cr and positive 162cr respectively last year)
5. **There were Rs 295cr of one-off & exceptional expenses in the quarter.** Excluding these one off and exceptional expenses, Net profit for the quarter would have been Rs 20cr, EBITDA would have been Rs 100cr, and EBITDAR would have been Rs 315 cr.

***Supplementary data and statistics are in the pages that follow***

Supplementary data and statistics below: (LY = Last Year, CY = Current Year; to convert millions to crores, divide by 10)

### Q3 FY2015 P&L Summary (as reported to BSE)



*Amount in INR million*

	LY	CY	FAV/-ADV
Capacity(ASKM)	5,099	3,527	-31%
<b>Profit &amp; Loss summary</b>			
Total Income from operations	18,077	13,112	-27%
Other non operating Income	120	114	-6%
Expenses	19,926	15,976	20%
EAT	(1,728)	(2,750)	-59%
EBITDA	(1,102)	(1,950)	-77%
EBITDAR	1,620	201	-88%
<b>Key Performance Indices</b>			
Revenue / ASK	3.57	3.75	5%
Expenses / ASK	3.91	4.53	-16%
Load Factor (RPKM/ASKM)	70.5%	83.2%	18%
Fare (Pax rev/Pax )	4,555	3,943	-13%
PAX RASK	3.25	3.37	4%
Yield (PAX Rev / RPKM)	4.62	4.05	-12%
EBITDAR margin	9%	2%	-83%
EBITDA margin	-6%	-15%	-144%
EAT margin	-9%	-21%	-119%

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### Q3 FY2015 P&L - excluding one-off and exceptional costs



*Amount in INR million*

	LY	CY	FAV/-ADV
Capacity(ASKM)	5,099	3,527	-31%
<b>Profit &amp; Loss summary</b>			
Total Income from operations	18,077	13,112	-27%
Other Income	120	114	-6%
Expenses	19,352	13,029	33%
EAT	(1,154)	196	117%
EBITDA	(528)	997	289%
EBITDAR	2,193	3,148	44%
<b>Key Performance Indices*</b>			
Revenue / ASK	3.57	3.75	5%
Expenses / ASK	3.80	3.69	3%
Load Factor (RPKM/ASKM)	70.5%	83.2%	18%
Fare (Pax rev/Pax )	4,555	3,943	-13%
PAX RASK	3.25	3.37	4%
Yield (PAX Rev / RPKM)	4.62	4.05	-12%
EBITDAR margin	12%	23%	90%
EBITDA margin	-3%	8%	360%
EAT margin	-6%	1%	123%

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## Key operating metrics



Parameters	LY Q3 FY' 14	CY Q3 FY' 15	Fav/ -Adv
<b>ASK (Mill)</b>	<b>5,099</b>	<b>3,527</b>	<b>-31%</b>
ASK (Lakhs) Boeing	4,756	3,196	-33%
ASK (Lakhs) Q400	343	332	-3%
<b>RPK (Mill)</b>	<b>3,595</b>	<b>2,935</b>	<b>-18%</b>
RPK (Lakhs) Boeing	3,339	2,669	-20%
RPK (Lakhs) Q400	256	267	4%
<b>Pax Yield (Rs.)-(Total PAX revenue/RPK)</b>	<b>4.62</b>	<b>4.05</b>	<b>-12%</b>
Pax Yield Boeing	4.41	3.76	-15%
Pax Yield Q400	7.29	6.91	-5%
<b>Average fuel price(per ltr)</b>	<b>66.13</b>	<b>54.07</b>	<b>18%</b>
<b>Average exchange rate(USD/INR)</b>	<b>62.00</b>	<b>61.95</b>	<b>0%</b>
<b>Load Factor(ASKM/RPKM)</b>	<b>70.5%</b>	<b>83.2%</b>	<b>18%</b>
Load Factor Boeing	70.2%	83.5%	19%
Load Factor Q400	74.8%	80.4%	8%
<b>CASK (Rs.)</b>	<b>3.91</b>	<b>4.53</b>	<b>-16%</b>
- Fuel Cost / ASK	1.85	1.59	14%
- Cost (ex-fuel) / ASK	2.06	2.93	-42%

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## Key revenue indicators



*Amount in INR million*

	LY	CY	FAV/-ADV
Revenue summary			
Capacity(ASKM)	5,099	3,527	-31%
Revenue summary			
PAX Revenue	16,595	11,899	-28%
Ancillary Revenue	1,374	1,103	-20%
Key Performance Indices			
Load Factor (RPKM/ASKM)	70.5%	83.2%	18%
Fare (Pax rev/Pax )	4,555	3,943	-13%
Total RASK	3.57	3.75	5%
PAX RASK	3.25	3.37	4%
Yield (PAX Rev / RPKM)	4.62	4.05	-12%

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## Details of expenses (as reported to BSE)



*Amount in INR million*

	LY	CY	FAV/-ADV
<b>Expense summary</b>			
Capacity(ASKM)	5,099	3,527	-31%
<b>Expense summary</b>			
Aircraft Fuel	9,411	5,624	40%
Aircraft Lease Rentals	2,721	2,151	21%
Airport Charges	1,276	942	26%
Aircraft Maintenance	2,389	1,575	34%
Aircraft Redelivery Expenses	1	1,725	-191597%
Other Operating Costs	519	477	8%
Employee Benefits Expense	1,456	1,434	2%
Depreciation and Amortisation Expense	324	327	-1%
Other Expenses	1,526	1,247	18%
Finance Costs	303	474	-57%
<b>Total Expenses</b>	<b>19,926</b>	<b>15,976</b>	<b>20%</b>
<b>Key Performance Indices</b>			
Total CASK	3.91	4.53	-16%
Fuel CASK	1.85	1.59	14%
Other CASK	2.06	2.93	-42%

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## Details of expenses - excluding one-off and exceptional costs



*Amount in INR million*

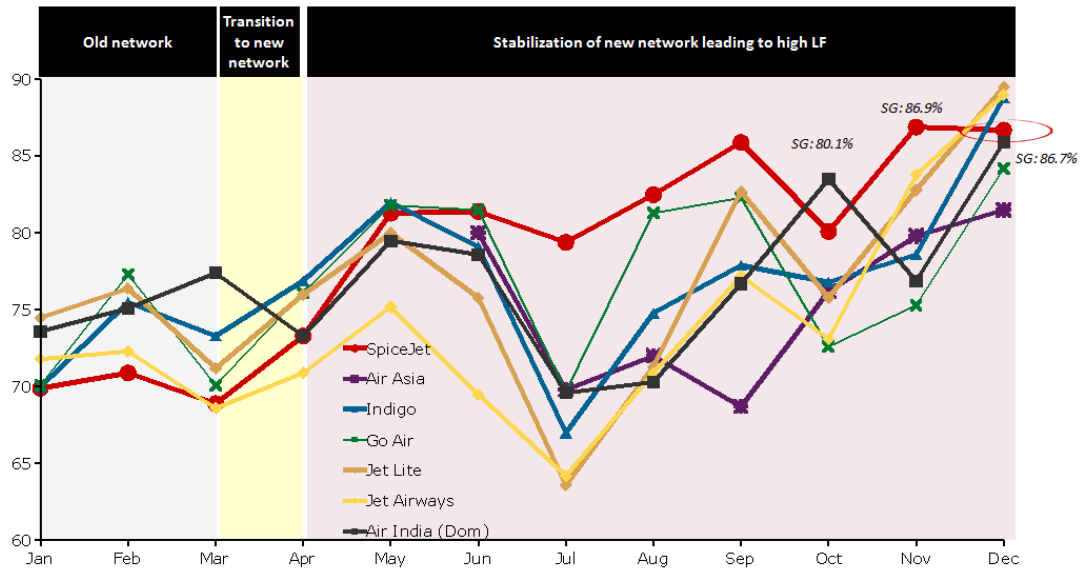
	LY	CY	FAV/-ADV
<b>Expense summary</b>			
Capacity(ASKM)	5,099	3,527	-31%
Aircraft Fuel	9,411	5,624	40%
Aircraft Lease Rentals	2,721	1,726	37%
Airport Charges	1,276	942	26%
Aircraft Maintenance	2,389	1,670	30%
Aircraft Redelivery Expenses	1	-	100%
Other Operating Costs	519	477	8%
Employee Benefits Expense	1,456	1,434	2%
Depreciation and Amortisation Expense	324	327	-1%
Other Expenses	1,034	604	42%
Finance Costs	221	224	-2%
<b>Total Expenses</b>	<b>19,352</b>	<b>13,029</b>	<b>33%</b>
<b>Key Performance Indices</b>			
Total CASK	3.80	3.69	3%
Fuel CASK	1.85	1.59	14%
Other CASK	1.95	2.10	-8%

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# Despite challenges encountered in November and December, SpiceJet's load factors remained amongst the highest in India



Load factor comparison (%), CY2014

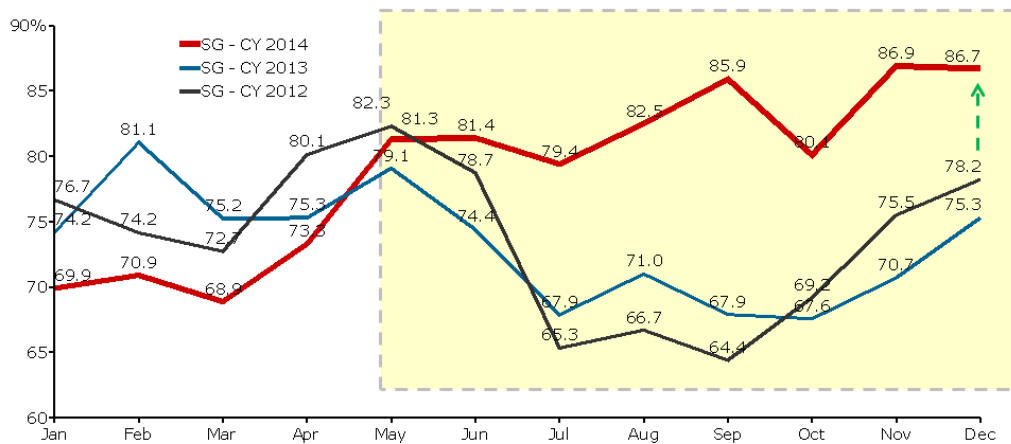


Source: DGCA

# May - Dec load factors (seat occupancy rate) significantly higher than previous years



Load Factor (%)

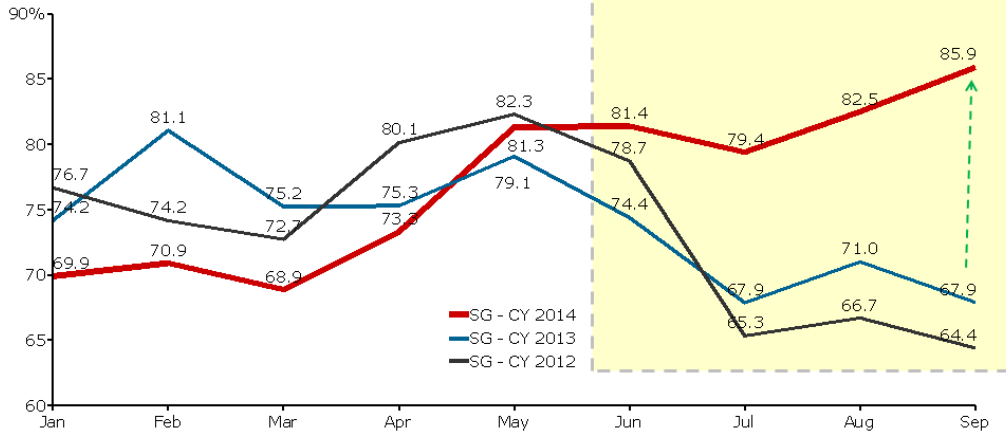


Month	% increase in LF (CY 2014 vs. CY 2013)
Jan	-7.3%
Feb	12.5%
Mar	-8.5%
Apr	-2.6%
May	2.8%
Jun	9.4%
Jul	17.0%
Aug	16.2%
Sep	26.5%
Oct	18.5%
Nov	22.9%
Dec	15.1%

## SpiceJet's June-Sept load factors significantly higher than previous years



Load Factor (%)



Month	% increase in LF (CY 2014 vs. CY 2013)
Jan	-7.3%
Feb	-12.5%
Mar	-8.5%
Apr	-2.6%
May	2.8%
Jun	9.4%
Jul	17.0%
Aug	16.2%
Sep	26.5%

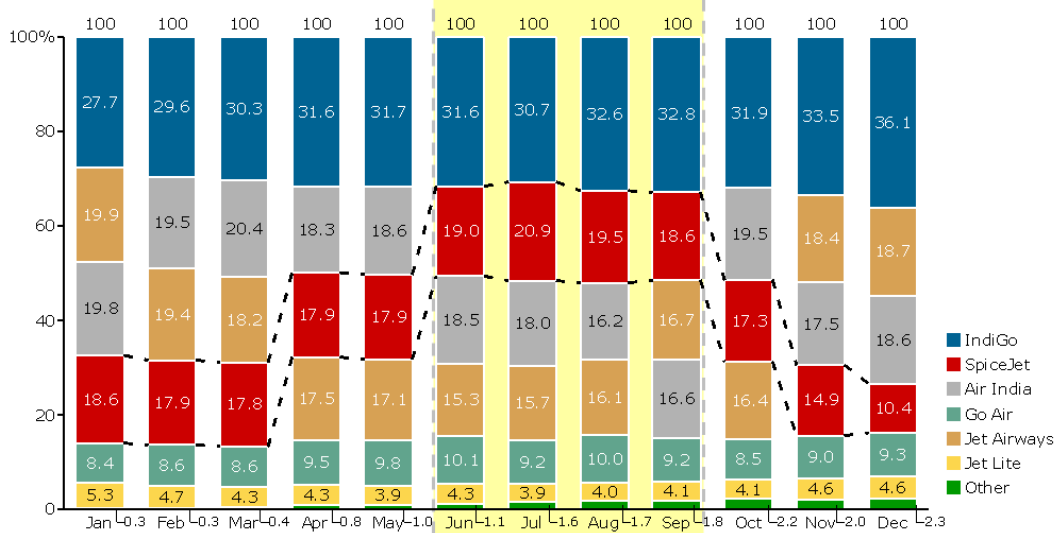
**More air travel helps overall economy due to "multiplier effect": It has been estimated that for every \$1 spent on air travel, \$12 is spent on the wider ecosystem and overall economy**



## After holding #2 position in domestic market share for four months, share dropped in Q3 due to aircraft reductions



Market Share (%), CY 2014



Note: "Other" includes Air Costa for Jan-May and Air Costa + Air Asia for Jun-Dec  
Source: DGCA

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The words "anticipate", "believe", "estimate", "expect", "intend" and similar expressions, as they relate to us, are intended to identify certain of such forward-looking statements. The Company may, from time to time, make additional written and oral forward-looking statements, including statements contained in our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.