



spicejet

Corporate Presentation
February-2010

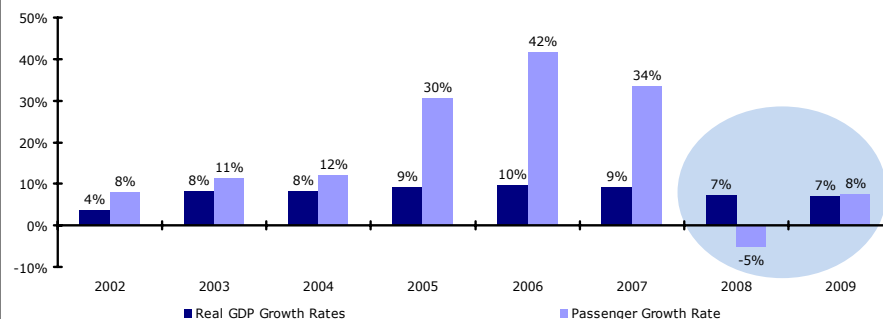


Indian Aviation – An overview

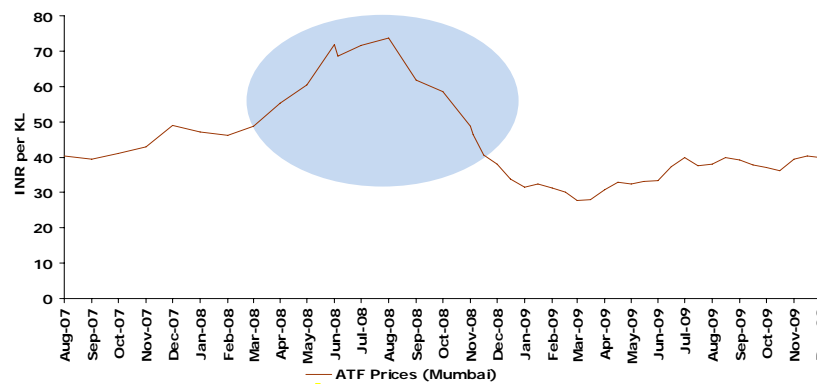
- Indian Aviation - Adverse environment behind us
- Sharp turnaround in business confidence
- Airlines Industry set to take-off
- LCCs emerging stronger

- Passenger growth has bounced back after a rocky 2008
 - December quarter saw a return to 2007 demand levels
 - Load factors have improved significantly – 69% for the period Apr – Nov 2009 as against 64% for FY09
- Fuel prices are down 46% from their peak in CY2008

Uptick in passenger traffic



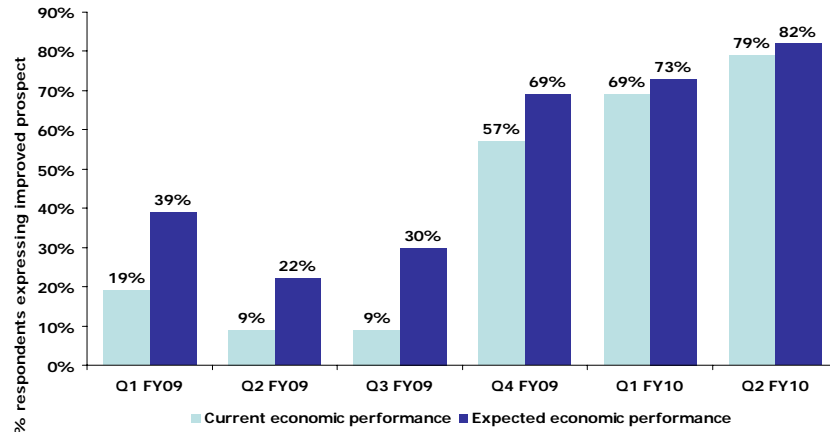
Moderation in fuel prices



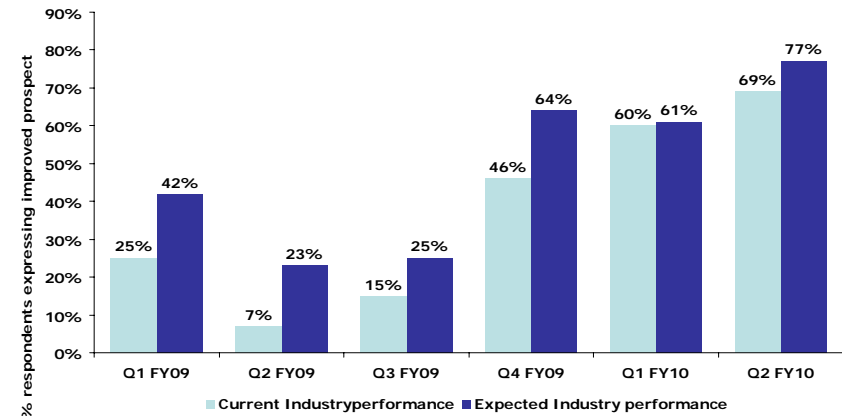
Source: IOCL

With recovery in demand and correction of fuel prices, leading airlines have turned profitable in the last quarter

Optimism on economic prospects



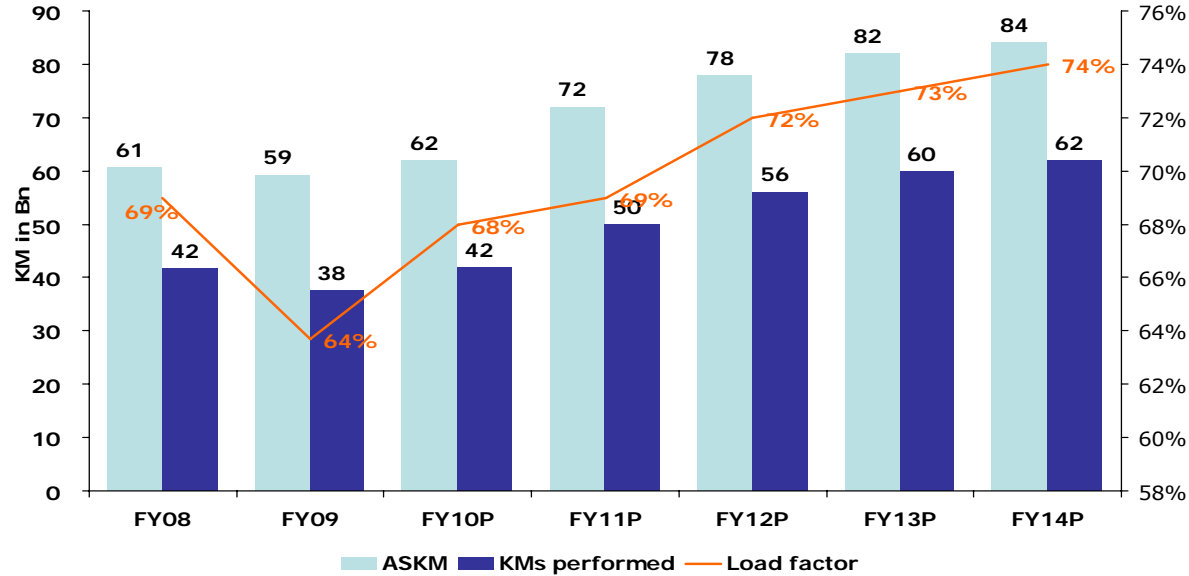
Optimism on industry prospects



- FICCI Business confidence survey conducted every quarter to gauge business confidence in India
 - 82% of the respondents felt economic conditions would improve in the next six months
 - 77% of the respondents felt industry conditions would improve in the next six months
 - 79% of the firms surveyed indicated improvement in expected firm level confidence in the next six months

More and more firms expect improved economic and industry prospects going forward which reflects return of business confidence

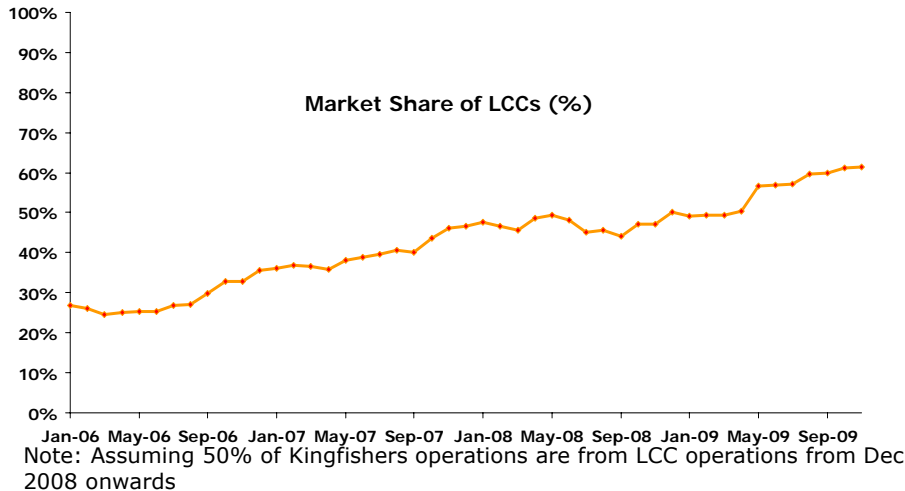
With growth in domestic traffic, demand-supply gap is expected to improve further



Source: DGCA, Crisil Research

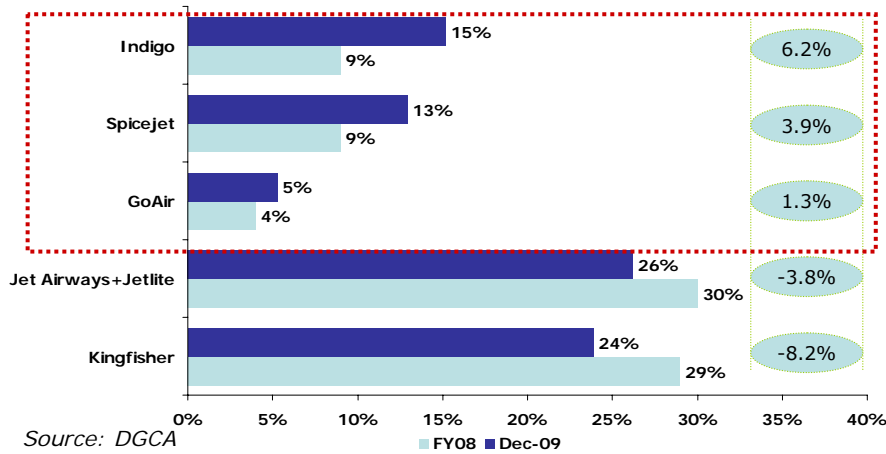
- Correction in capacity over the last 18 months
- Demand witnessed steady improvement since mid-2009
- Domestic load factors are expected to improve from current levels

LCC model is emerging as the preferred choice for all carriers



- Full Service Carriers have migrated a significant part of their capacities to the Low Cost business model
- While most of the airlines in the process of rationalization have trimmed their capacities, SpiceJet and Indigo (vanilla LCCs) have ramped up their capacities steadily
- LCCs have registered steepest increase in market share as compared to other airlines

Significant Improvement in market share of LCCs





SpiceJet

- Key Strengths
- Capturing significant share of uptick in demand
- Management Team
- Shareholding

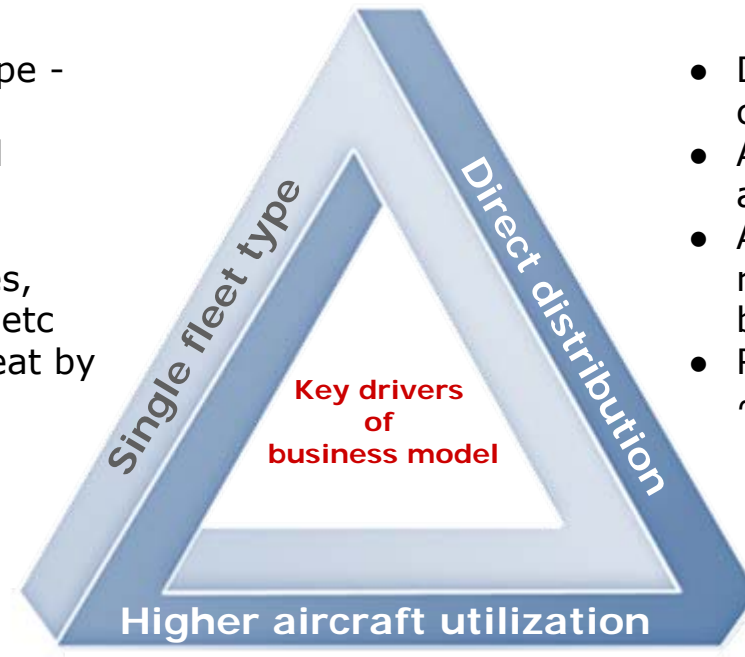
Robust business model

- Single fleet type – reduces maintenance costs
- Higher utilization of aircraft – reduces fixed costs per seat
- Direct distribution – reduced distribution costs and improved working capital cycle

Outstanding performance

- Steady increase in market share - ~13% as of Dec 2009 as against 9% in Mar 2009
- Amongst the highest load factors in the industry – consistently above full service carriers
- Aircraft utilization rate of over 12 Hrs per day (~10 Hrs for other airlines)
- Consistently recorded one of the lowest cost / ASKM

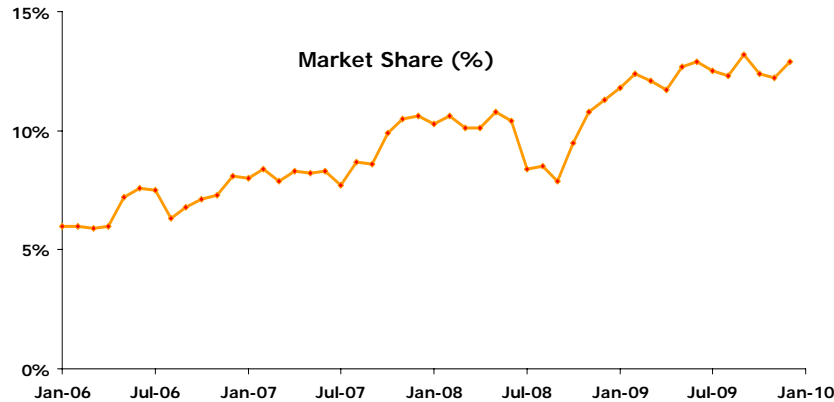
- Operates single fleet type - Boeing 737 NG
- Lower maintenance and training costs
- Synergies in terms of common contracts, sales, processes and systems etc
- Reduction in cost per seat by ~20%



- Direct distribution through call centers and internet
- Avoids booking through travel agents
- Advance payment mechanism reduces working capital burden
- Reduces distribution costs by ~10% of revenues

- Highest aircraft utilization of 12 hours per day
- Corresponding figures for the peers in the range of 7-11 hours
- Driven by faster check-in system and quick turn around
- Reduction in fixed cost absorption by 15-20%

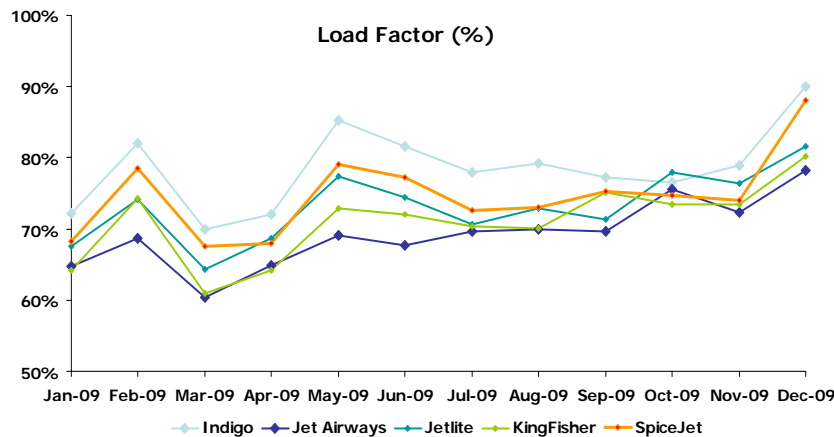
Steadily gaining market share



- Steadily increased its market share since inception – more than doubled the market share in 4 years

Source: DGCA

Amongst the best load factors in the industry

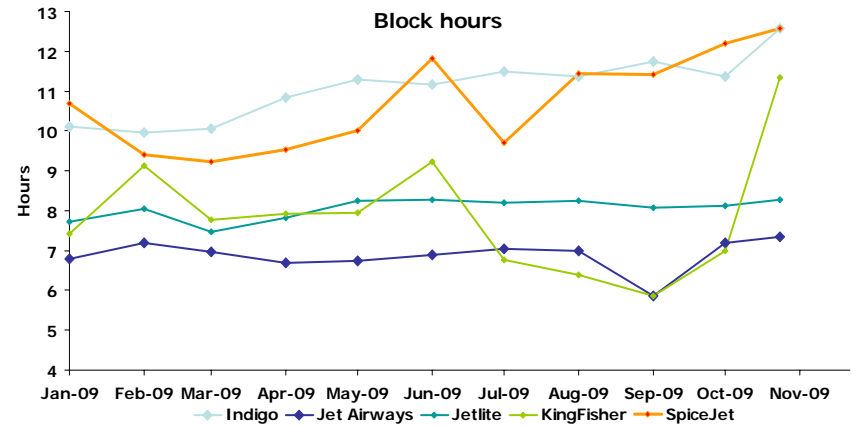


- Load factors amongst the best in the industry
- Consistently recorded better load factors than the full service carriers

Source: DGCA

- Legacy carriers use 10 hours vs. 12 hours by SpiceJet which translates to one additional flight a day

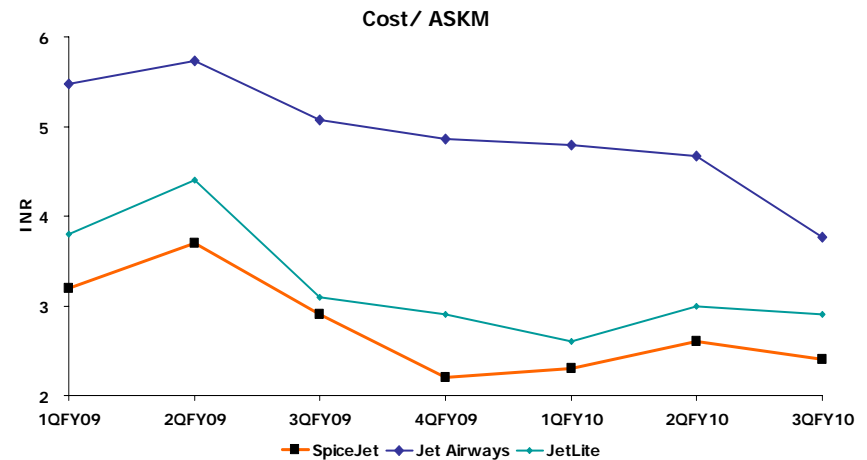
Highest utilization level in the industry



Source: DGCA

- Lowest cost per ASKM aided by
 - Lower turn around time
 - Higher level of automation of processes
 - Higher utilization
 - Centralized flight despatch
 - All fixed costs are distributed over larger flying hours

Consistently lowest cost per ASKM



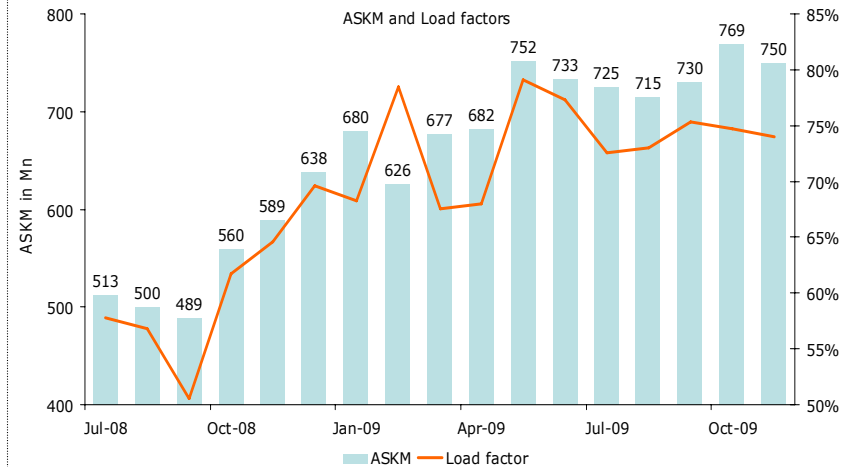
Note: Latest data available only for SpiceJet, Jet Airways and JetLite

* Swift ramp-up of operations post recovery

- ASKMs improved from 1.5 bn in Q209 to 2.3 bn in 3Q10
- Departures increased from 7,527 in Q209 to 11,680 in 3Q10
- Passengers carried increased from 0.72 mn in Q209 to 1.8 mn in 3Q10
- Increased market share from 8% in FY08 to ~13% in Dec-2009

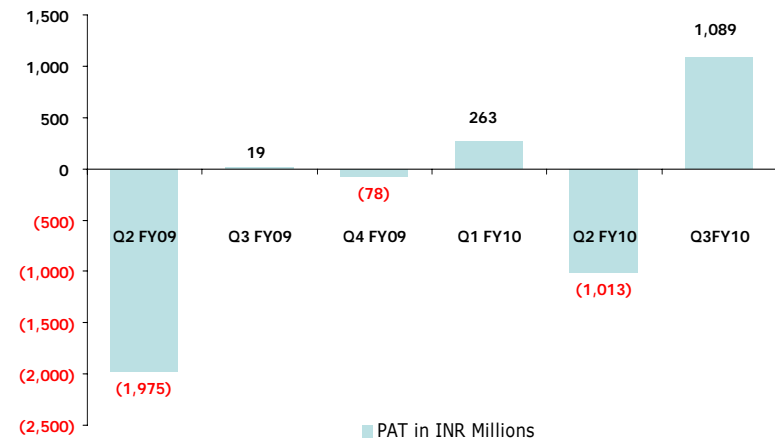
- * With a robust growth in demand and a lean cost structure, SpiceJet returned to profitability during 3Q10

Improved operations post recovery



Source: DGCA

Turnaround in financial performance



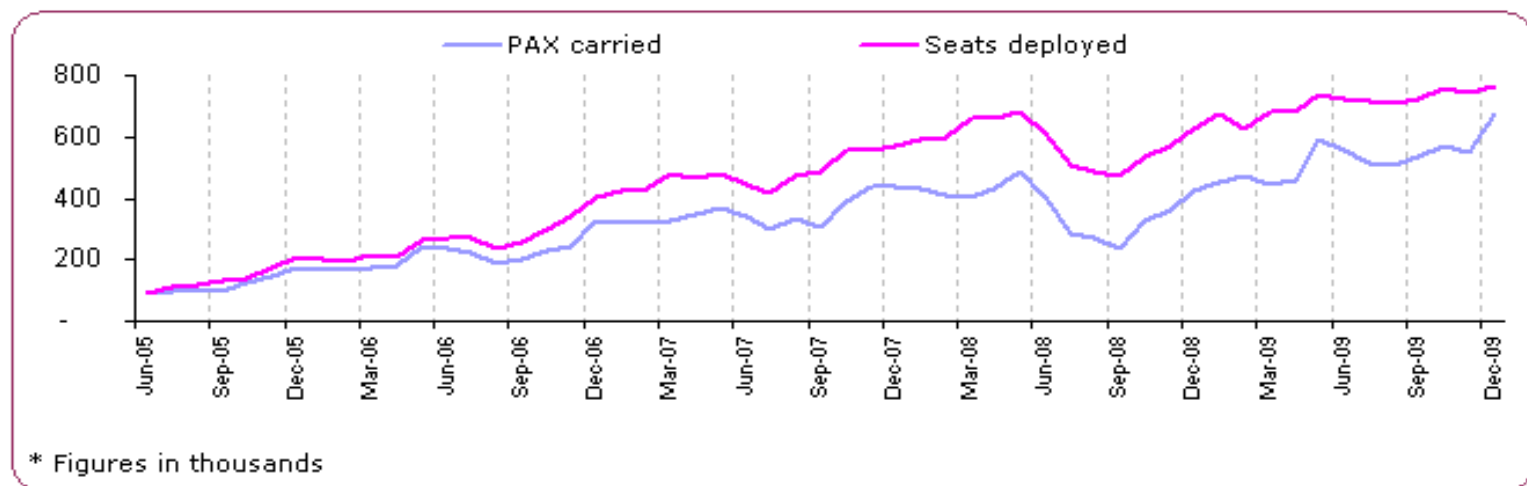
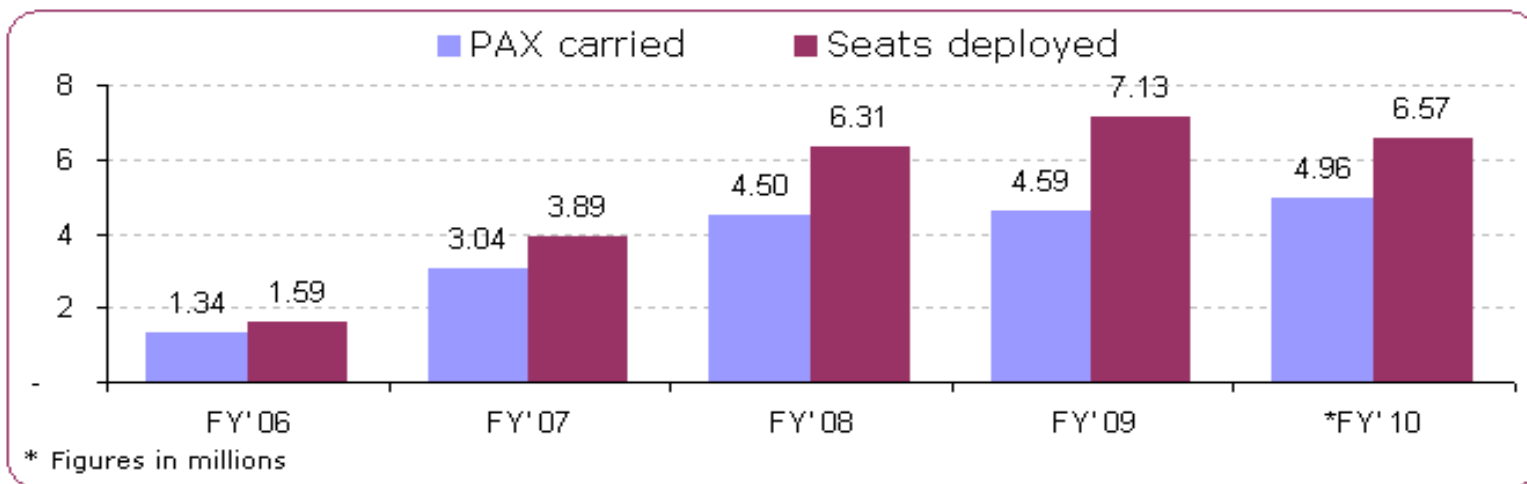
Chief Executive Officer	Sanjay Aggarwal
Chief Commercial Officer	Samyukth Sridharan
Chief Financial Officer	Seema Chandra
Chief Technology Officer (IT)	Virender Pal
VP - Engineering & Maintenance	Robert Bryant
Head - Customer Care	Sarabjeet Kaur
Head - Flight Safety	Capt R L Kapur

	No. of Shares	% Stake
Promoter (Foreign)	31,077,500	12.9%
Public		
Financial Institutions	30,966,041	12.8%
FIIIs	22,554,238	9.4%
Bodies Corp	53,136,306	22.0%
Individuals	57,210,302	23.7%
Others		
NRIs	10,647,100	4.4%
Foreign Corporate Bodies	34,315,836	14.2%
Others	1,262,237	0.5%
Total	241,169,560	100.0%



Performance

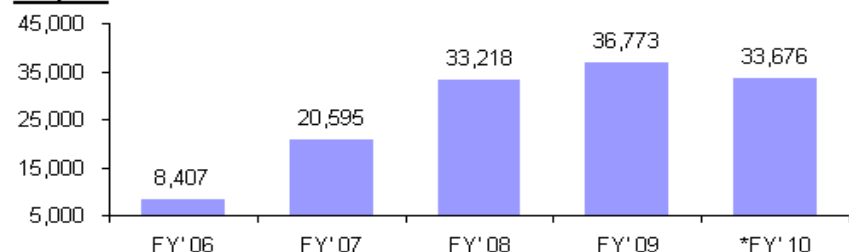
- Operating Statistics
- Financial Performance



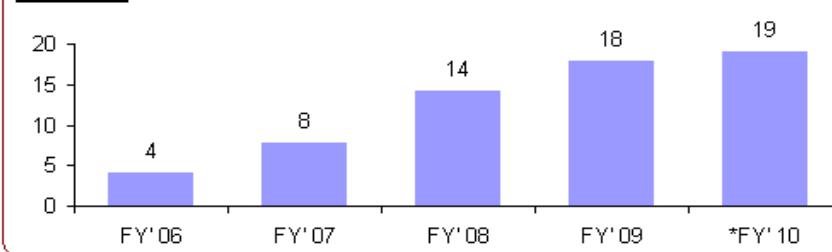
* Figures in thousands

FY10 figures are for 9 months

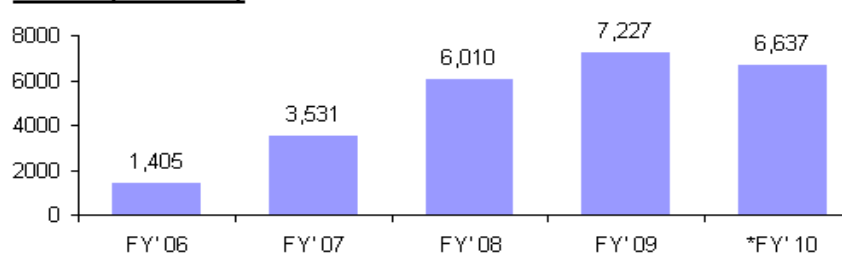
Flights



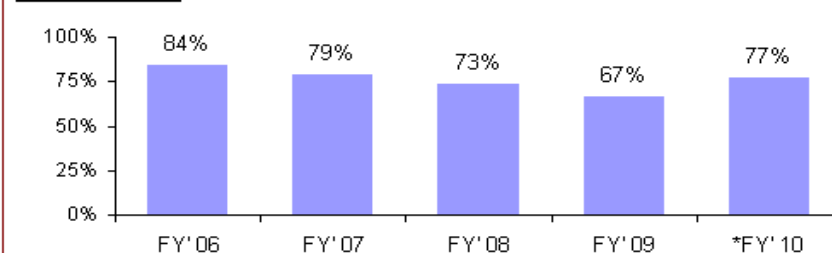
Aircraft



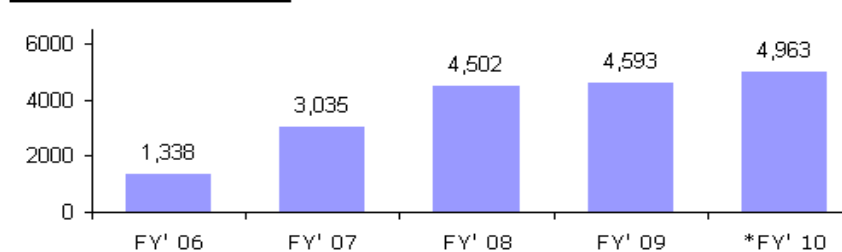
ASKM (millions)



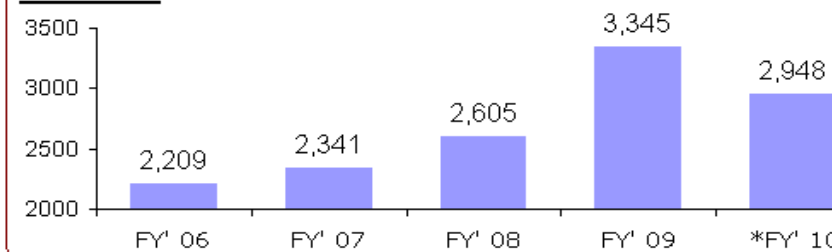
Load Factor



PAX carried ('000)

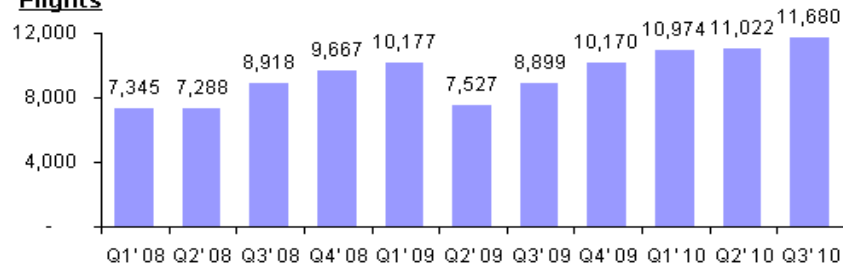


PAX Yield

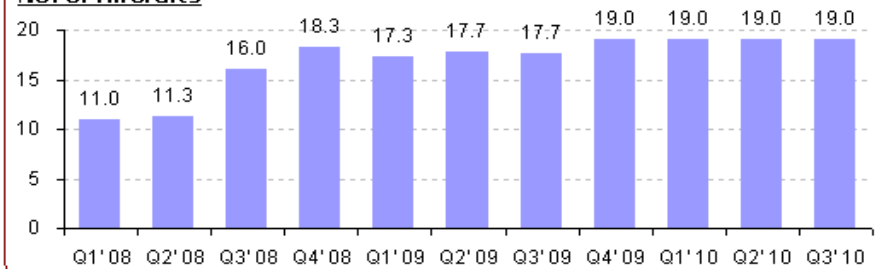


FY10 figures are for 9 months

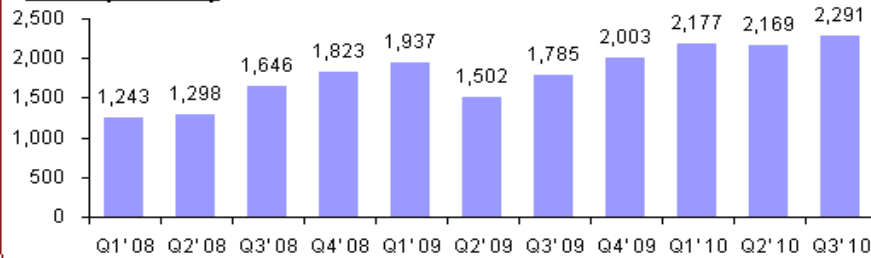
Flights



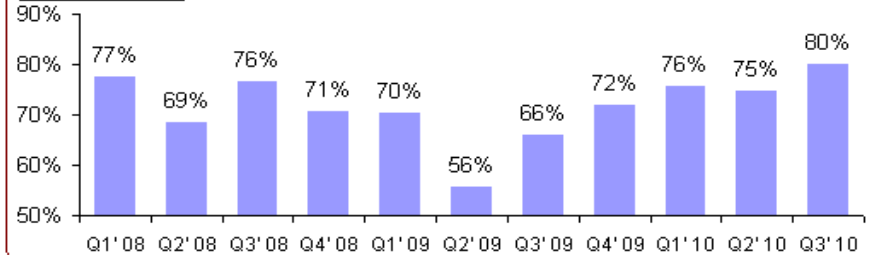
No. of Aircrafts



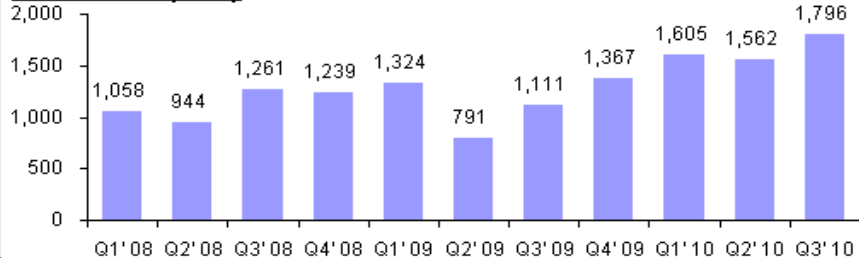
ASKM (millions)



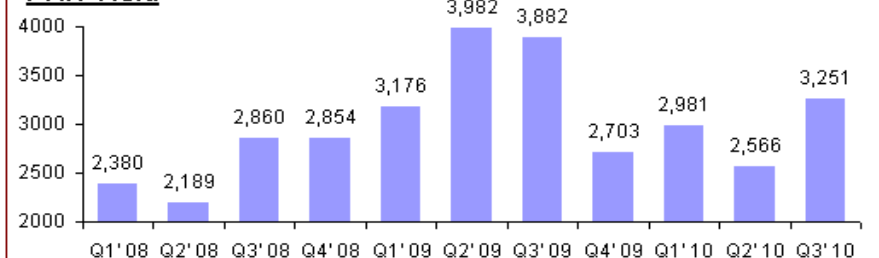
Load Factor



PAX Carried ('000)

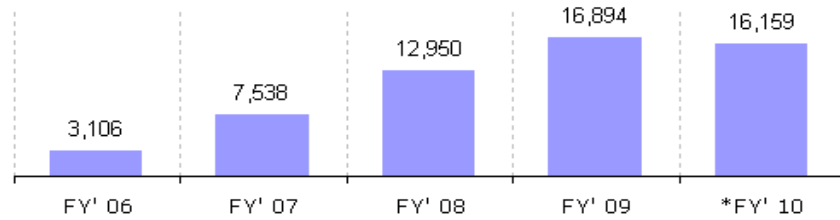


PAX Yield

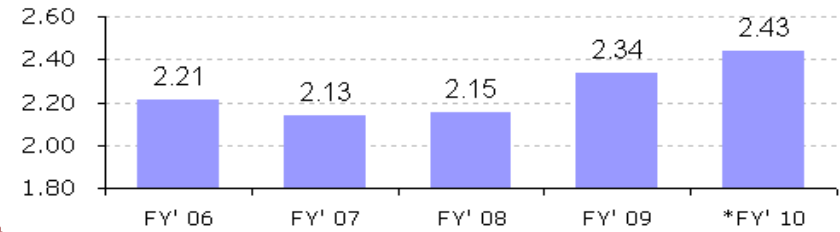


*In Rupees

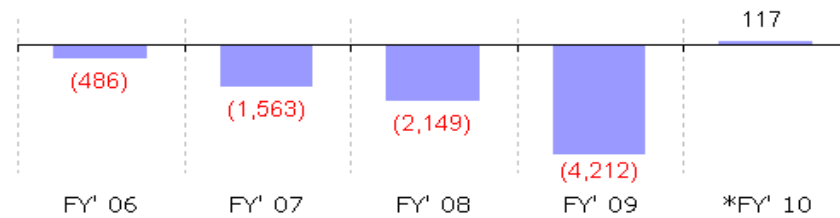
Revenue (INR millions)



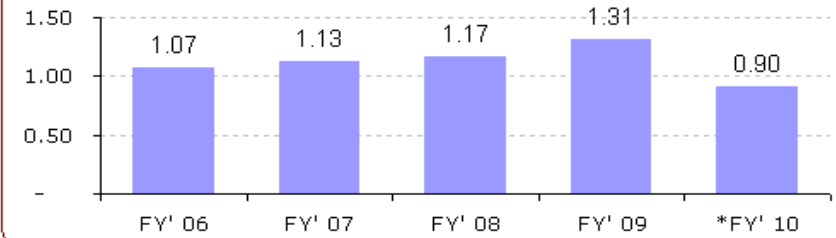
Revenue per ASK



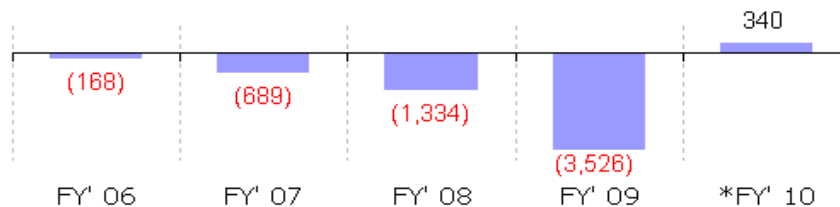
EBITDA (INR millions)



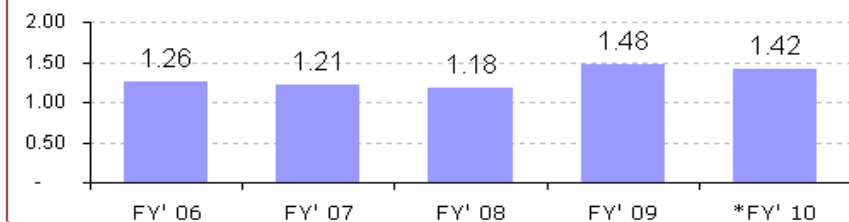
ATF per ASK



PAT (INR millions)

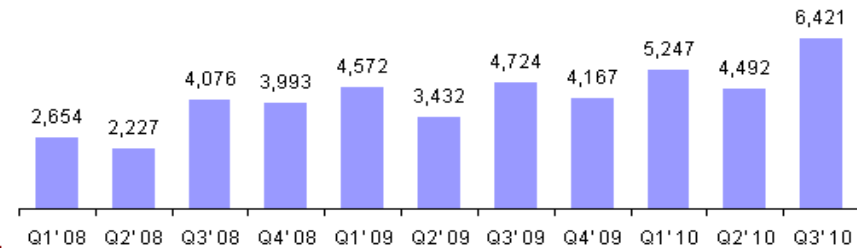


Other cost per ASK

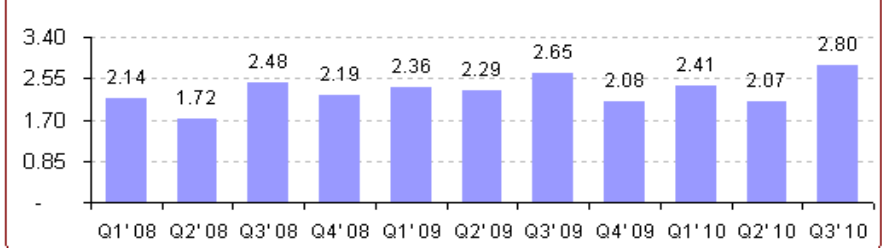


FY10 figures are for 9 months

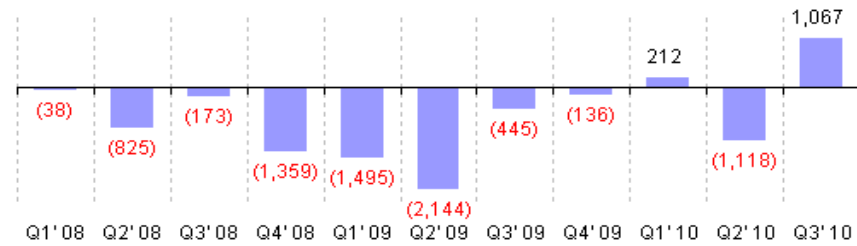
Revenue (INR millions)



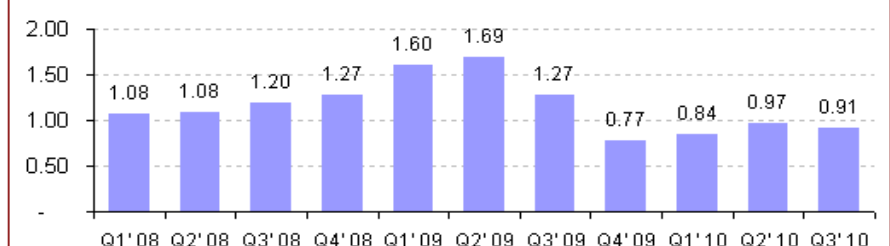
Revenue per ASK



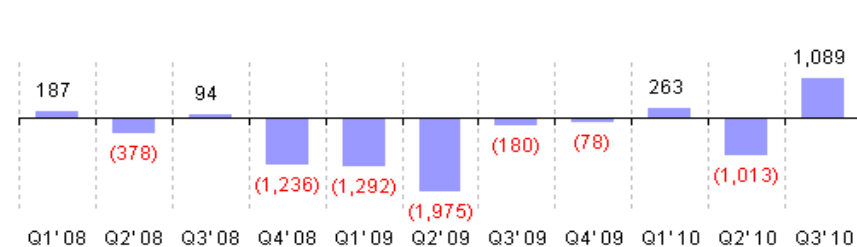
EBITDA (INR millions)



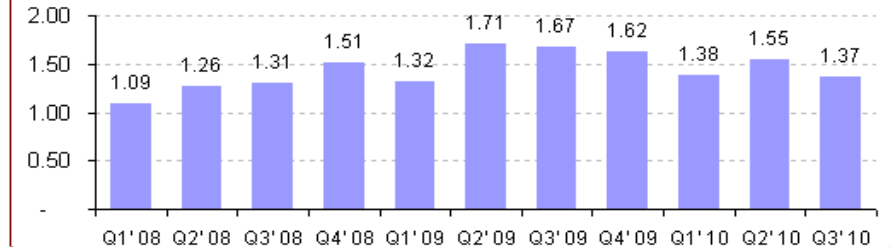
ATF per ASK



PAT (INR millions)



Other cost per ASK



Profit & Loss Statement

Figures in INR Millions	3Q10*	FY09	FY08
INCOME			
Operating revenue	16,159	16,894	12,950
Other Income	372	1,241	1,436
Total Income	16,531	18,135	14,386
EXPENDITURE			
Operating expenses	10,724	13,376	9,894
Lease rentals	2,949	3,589	2,526
Employee remuneration and benefits	1,339	1,551	1,404
Selling & Administrative expenses	1,033	2,571	1,646
Finance charges	50	160	137
Depreciation and Amortization	49	73	78
Loss of settlement of litigations	-	188	-
Total Expenditure	16,142	21,508	15,685
PBT	389	(3,372)	(1,299)
Tax - FBT	-	(33)	(24)
Net Income	389	(3,405)	(1,323)
Prior period adjustments	(40)	(121)	(11)
Net Income for the period	349	(3,526)	(1,334)
Profit brought forward	(8,838)	(5,074)	(3,740)
Foreign currency translation	-	(238)	-
Profit / Loss carried to B/S	(8,489)	(8,838)	(5,074)

*Figures for 9 months

Sources of funds

Figures in INR Millions	FY09	FY08
Share capital	2,410	2,407
Share warrants	62	-
Reserves & surplus	2,073	2,948
Total Shareholder's funds	4,545	5,354
Secured loans	333	1,667
FCCBs	4,066	3,191
Other unsecured loans	490	458
Total Loans	4,888	5,316
Total Sources	9,433	10,670

Application of funds

Figures in INR Millions	FY09	FY08
Fixed assets		
Gross block	958	865
Less: Depreciation and amortization	282	214
Net Block	676	651
Capital work in progress	1,853	4,989
Investments	-	4
Current assets		
Inventories	125	111
Sundry debtors	124	16
Cash and bank balances	3,080	5,995
Other current assets	108	-
Loans and advances	1,543	1,742
Total Current assets	4,980	7,864
Current liabilities and provisions		
Current liabilities	5,657	7,217
Provisions	1,257	695
Total Current liabilities and provisions	6,914	7,912
Net Current Assets	(1,934)	(48)
Profit & Loss Account	(8,838)	(5,074)
Total Application of funds	9,433	10,670



Thank You!