



## SPICEJET LIMITED

Regd Office : Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai 600 028



## Part I - Statement of Unaudited Financial Results for the quarter and period ended December 31, 2013

(Rupees in Lakhs except EPS and Shareholding data)

| S.No. | Particulars   | Quarter ended          |                        |                        | Year to date           |                        | Year ended           |
|-------|---|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
|       |   | Unaudited<br>31-Dec-13 | Unaudited<br>30-Sep-13 | Unaudited<br>31-Dec-12 | Unaudited<br>31-Dec-13 | Unaudited<br>31-Dec-12 | Audited<br>31-Mar-13 |
| 1     | <b>Income from operations</b>   |                        |                        |                        |                        |                        |                      |
|       | a) Net Sales / Income from Operations   | 179,626.6              | 124,608.3              | 157,779.3              | 473,082.8              | 416,293.1              | 560,067.8            |
|       | b) Other Operating Income   | 1,146.8                | 1,113.7                | 808.2                  | 3,566.9                | 7,011.5                | 9,910.9              |
|       | <b>Total Income from operations</b>   | <b>180,773.4</b>       | <b>125,722.0</b>       | <b>158,587.5</b>       | <b>476,649.7</b>       | <b>423,304.6</b>       | <b>569,978.7</b>     |
| 2     | <b>Expenses</b>   |                        |                        |                        |                        |                        |                      |
|       | a) Operating Expenses   |                        |                        |                        |                        |                        |                      |
|       | - Aircraft Fuel   | 94,111.9               | 71,113.9               | 71,834.2               | 239,209.3              | 202,817.9              | 280,331.5            |
|       | - Aircraft Lease Rentals  | 27,210.8               | 26,881.1               | 19,929.2               | 76,070.9               | 60,411.2               | 80,810.2             |
|       | - Airport Charges   | 12,758.8               | 11,069.4               | 9,125.5                | 35,285.4               | 24,907.5               | 35,401.1             |
|       | - Aircraft Maintenance  | 23,894.6               | 32,494.4               | 15,694.2               | 76,298.6               | 42,536.3               | 68,662.1             |
|       | - Other Operating Costs   | 5,197.9                | 6,097.2                | 4,424.2                | 16,459.9               | 11,973.1               | 17,129.2             |
|       | b) Employee Benefits Expense  | 14,559.5               | 14,004.8               | 13,520.5               | 43,966.4               | 39,403.5               | 52,679.9             |
|       | c) Depreciation and Amortisation Expense  | 3,239.3                | 4,316.6                | 2,135.6                | 10,657.5               | 5,482.0                | 8,354.5              |
|       | d) Other Expenses   | 15,257.8               | 13,184.9               | 11,850.7               | 41,638.2               | 36,461.4               | 45,967.8             |
|       | <b>Total expenses</b>   | <b>196,230.6</b>       | <b>179,162.3</b>       | <b>148,514.1</b>       | <b>539,586.2</b>       | <b>423,992.9</b>       | <b>589,336.3</b>     |
| 3     | <b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b> | <b>(15,457.2)</b>      | <b>(53,440.3)</b>      | <b>10,073.4</b>        | <b>(62,936.5)</b>      | <b>(688.3)</b>         | <b>(19,357.6)</b>    |
| 4     | Other Income  | 1,202.9                | 763.7                  | 2,562.4                | 3,918.8                | 6,870.6                | 10,535.4             |
| 5     | <b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>      | <b>(14,254.3)</b>      | <b>(52,676.6)</b>      | <b>12,635.8</b>        | <b>(59,017.7)</b>      | <b>6,182.3</b>         | <b>(8,822.2)</b>     |
| 6     | Finance Costs   | 3,025.4                | 3,272.8                | 2,435.0                | 9,155.7                | 8,004.4                | 11,571.8             |
| 7     | <b>Profit / (Loss) before exceptional items (5-6)</b>   | <b>(17,279.7)</b>      | <b>(55,949.4)</b>      | <b>10,200.8</b>        | <b>(68,173.4)</b>      | <b>(1,822.1)</b>       | <b>(20,394.0)</b>    |
| 8     | Exceptional Item - Claims / costs towards engine maintenance  | -                      | -                      | -                      | -                      | 1,286.4                | 1,286.4              |
| 9     | <b>Profit / (Loss) before tax (7+8)</b>   | <b>(17,279.7)</b>      | <b>(55,949.4)</b>      | <b>10,200.8</b>        | <b>(68,173.4)</b>      | <b>(535.7)</b>         | <b>(19,107.6)</b>    |
| 10    | Tax Expense   | -                      | -                      | -                      | -                      | -                      | -                    |
| 11    | <b>Net Profit / (Loss) for the period (9-10)</b>  | <b>(17,279.7)</b>      | <b>(55,949.4)</b>      | <b>10,200.8</b>        | <b>(68,173.4)</b>      | <b>(535.7)</b>         | <b>(19,107.6)</b>    |
| 12    | Paid-up Equity Share Capital<br>(Face Value Rs.10/- per Equity Share)                                 | 53,528.1               | 52,028.1               | 48,435.0               | 53,528.1               | 48,435.0               | 48,435.0             |
| 13    | Reserves excluding Revaluation reserves   |                        |                        |                        |                        |                        | (72,236.3)           |
| 14    | <b>Earnings Per Share</b>   |                        |                        |                        |                        |                        |                      |
|       | a) Basic (Rs) *   | (3.29)                 | (10.75)                | 2.11                   | (13.12)                | (0.11)                 | (3.95)               |
|       | b) Diluted (Rs) *   | (3.29)                 | (10.75)                | 2.10                   | (13.12)                | (0.11)                 | (3.95)               |

\* - Quarterly and year-to-date numbers are not annualised.

## Part II - Select information for the quarter and period ended December 31, 2013

| S.No. | Particulars  | Quarter ended          |                        |                        | Year to date           |                        | Year ended           |
|-------|--|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
|       |  | Unaudited<br>31-Dec-13 | Unaudited<br>30-Sep-13 | Unaudited<br>31-Dec-12 | Unaudited<br>31-Dec-13 | Unaudited<br>31-Dec-12 | Audited<br>31-Mar-13 |
| A     | <b>PARTICULARS OF SHAREHOLDING</b>   |                        |                        |                        |                        |                        |                      |
| 1     | Public Shareholding  |                        |                        |                        |                        |                        |                      |
|       | - Number of shares   | 249,021,425            | 249,021,425            | 249,021,425            | 249,021,425            | 249,021,425            | 249,021,425          |
|       | - Percentage of holding  | 46.52%                 | 47.86%                 | 51.41%                 | 46.52%                 | 51.41%                 | 51.41%               |
| 2     | Promoters and promoter group shareholding  |                        |                        |                        |                        |                        |                      |
|       | a) Pledged / Encumbered  |                        |                        |                        |                        |                        |                      |
|       | - Number of shares   | 63,308,882             | 52,345,626             | 63,945,220             | 63,308,882             | 63,945,220             | 52,345,626           |
|       | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 22.12%                 | 19.30%                 | 27.17%                 | 22.12%                 | 27.17%                 | 22.24%               |
|       | - Percentage of shares (as a % of the total share capital of the company)                | 11.83%                 | 10.06%                 | 13.21%                 | 11.83%                 | 13.21%                 | 10.81%               |
|       | b) Non-encumbered  |                        |                        |                        |                        |                        |                      |
|       | - Number of shares   | 222,950,876            | 218,914,132            | 171,383,085            | 222,950,876            | 171,383,085            | 182,982,679          |
|       | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 77.88%                 | 80.70%                 | 72.83%                 | 77.88%                 | 72.83%                 | 77.76%               |
|       | - Percentage of shares (as a % of the total share capital of the company)                | 41.65%                 | 42.08%                 | 35.38%                 | 41.65%                 | 35.38%                 | 37.78%               |



|          | Particulars                                       | Quarter ended<br>December 31, 2013 |
|----------|---|------------------------------------|
| <b>B</b> | <b>INVESTOR COMPLAINTS</b>                        |                                    |
|          | Pending as at the beginning of the quarter        | 2                                  |
|          | Received during the quarter                       | 14                                 |
|          | Disposed of during the quarter                    | 16                                 |
|          | Remaining unresolved as at the end of the quarter | -                                  |

**Notes**

- The above unaudited financial results for the quarter ended December 31, 2013, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 14, 2014, and have been subjected to a limited review by the auditors of the Company.
  - Accounting Standard (AS) 17 on 'Segment Reporting' requires the Company to disclose certain information about operating segments. The Company is managed as a single operating unit that provides air transportation only and has no other segment operation.
  - As explained in note 34 (a) (i) of the audited financial statements for the year ended March 31, 2013, the unaccrued interest on inter corporate deposit of Rs. 500 lakhs under litigation at Bombay High Court since November 30, 2001, amounts to Rs. 747.10 lakhs. Had the Company accrued for the outstanding interest as described above, the net loss reported for the quarter would have been higher by Rs. 747.10 lakhs and the accumulated loss as at December 31, 2013 would have been higher by the same amount. The Company's management believes that pending finality of the suit filed against the Company in the Bombay High Court, no interest needs to be accrued on the deposit at this point in time on account of its defence in the Court proceedings. The auditors have qualified their audit report for the year ended March 31, 2013, and limited review reports for the quarters ended December 31, 2013, September 30, 2013 and December 31, 2012 for the above matter. This may be treated as our response to the observations in the auditors' review report.
  - During the quarter, the Company has issued 15,000,000 equity shares of the face value of Rs. 10 each at a premium of Rs. 26.18 per equity share to the promoter of the Company pursuant to the exercise of options attached to 15,000,000 warrants having a nominal value of Rs. 10 each issued to its promoter on a preferential basis during the previous year. The Company has utilized the entire proceeds of the preferential issue towards meeting its expansion program and working capital requirements, in accordance with the objects of the said issue.
  - Subsequent to the quarter end, the Company has proposed to issue 64,169,000 warrants having a nominal value of Rs. 10 each to the promoters of the Company for consideration aggregating to Rs.13,327.9 lakhs, having option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 each at a premium of Rs.10.77 each.
  - The Company's operating results continue to be materially affected by various factors, particularly high aircraft fuel costs, significant depreciation in the value of the currency, pricing pressures from competition and general economic slowdown. The Company is putting in place various long-term measures to improve its product offering and enhancing customer experience. While the Company continues to expand its fleet and network through new aircraft inductions and addition of international routes, considerable investments are also simultaneously being made by the Company to improve selling and distribution channels, revenue management and marketing functions. The Company is also undertaking a comprehensive review of its current network to maximize profitability. These measures along with consistent improvement in yields and enhancement in ancillary revenues are expected to drive growth in revenues in the future. The Company is also implementing various measures to optimize aircraft utilization (including short-term leasing out of aircrafts in lean seasons), improving operational efficiencies, renegotiation of contracts and other cost control measures to improve the Company's operating results and cash flows. In addition, the Company continues to explore various options to raise finance in order to meet its short term and long term obligations.
- During the quarter, the Promoter converted 15,000,000 warrants into equity shares of the Company thereby infusing additional Rs.542.7 lakhs into the Company. Subsequent to the quarter, the Company's promoters have agreed to subscribe to 64,169,000 warrants (convertible into equivalent no. of equity shares) for an aggregate consideration of Rs.13,327.9 lakhs and are committed to providing the required operational and financial support to Company in the future. The Company also believes that the amendment to FDI policy has improved the investor sentiment towards the Indian aviation industry as evidenced by entry of large international players into the Indian market. The Company believes that these measures will not only result in sustainable cash flows, but also enhance the Company's plans for expansion. Accordingly, the Company's financial statements have been prepared on a going concern basis whereby the realization of assets and discharge of liabilities are expected to occur in the normal course of business.
- Previous periods' / year's figures have been regrouped / reclassified wherever considered necessary to conform to current periods' / year's classification.



Place : Chennai, Tamil Nadu  
Date : February 14, 2014

For SpiceJet Limited  
*[Signature]*  
Kalanithi Maran  
Chairman





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## SpiceJet grows revenues but rupee depreciation and high fuel prices impact results

Chennai, February 14, 2013

SpiceJet's passenger traffic grew by 10% and revenues by 14% during the quarter ended December 31, 2013 as compared to quarter ended December 31, 2012. Despite such growth, there were constraints on the industry's ability to increase yields sufficiently to neutralize the impact of cost increases, which were mostly led by a weaker INR. The approximate impact of currency depreciation alone, despite a hedging program that SpiceJet has in place, was around Rs 63 crore during the quarter ended Dec 31, 2013.

ATF prices were 9% more expensive per liter than comparable numbers for the same period last year, as the currency effect has been fully passed on to the local carriers by the public sector oil marketing companies. Overall, fuel costs constituted 52% of the total revenue in the current quarter as compared to 45% in the comparable quarter for the previous year. Similarly, several other costs that are denominated in US dollars, such as lease rentals, maintenance, spares etc, went up sharply as a result of the adverse FX rate.

Cost per Available Seat Kilometer (CASK) saw an increase of 10% to Rs3.9 in the quarter, compared to Rs3.5 in the same quarter last year.

The average passenger yields in current quarter grew by 3% to Rs.4,551 as against Rs 4,412 last year, which was not sufficient to fully offset cost increases. Unfortunately, the Company was unable to effect stronger yield increases since demand for air travel softened during the year, exacerbated by more seats on offer due to the planned addition of additional aircraft by the industry, including SpiceJet. Load factor accordingly decreased during the quarter to 70.5% from 75.0% during the same period last year, contributing to overall Revenue per Available Seat Kilometer (RASK) decline of 6% from Rs3.8 last year to Rs3.6 this year.

As a result of the factors mentioned, SpiceJet posted a loss of Rs.173 crores for the quarter ended December 31, 2013 compared with a profit of Rs.102 crores for the comparable period last fiscal.

SpiceJet's operational performance improved significantly during the quarter with fewer cancellations and strong on-time performance in December 2013. **SpiceJet was #1 in on-time performance as per official DGCA data.** SpiceJet is currently in the process of implementing a complete network and schedule redesign, along with a productivity improvement and cost reduction program, while at the same time making necessary investments to improve its product and customer experience.

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## Highlights for the quarter ended December 31, 2013 vs. December 31, 2012

### Operational

10% growth in number of passengers.  
20% growth of Available Seat Kilometers.  
14% growth in number of departures  
#1 in on-time performance in December, 2013 as per official DGCA data

### Financial

14% increase in Revenue from Operations.  
3% increase in passenger yields to Rs.4,551 from Rs.4,412  
Net loss of Rs.173 crores for the quarter compared to a profit of Rs.102 crores for the corresponding quarter of previous year

### **About SpiceJet:**

SpiceJet is India's second largest low fare airline with approximately 20% share of the Indian domestic market. The airline currently operates more than 350 daily flights to 52 destinations, which includes 42 Indian cities and 10 international destinations.

SpiceJet connects its network using an advanced fleet of 42 Boeing 737-800/ 900ER Next Generation aircrafts, along with 15 Bombardier Q-400 aircrafts that are more focused on enhancing connectivity to Tier II and Tier III cities. The average age of SpiceJet's aircraft is 4 years, one of the youngest fleets in the world.

### **Disclaimer:**

*Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in aviation sector including those factors which may affect our cost advantage, wage fluctuations, our ability to attract and retain highly skilled professionals, time and cost overruns on various parameters, our ability to manage international operations, reduced demand for air travel, liability for damages, withdrawal or expiration of governmental fiscal incentives, political instability, legal restrictions on raising capital or general economic conditions affecting our industry.*

*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.*

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**Limited Review Report****Review Report to  
The Board of Directors  
SpiceJet Limited**

1. We have reviewed the accompanying statement of unaudited financial results of SpiceJet Limited ('the Company') for the quarter ended December 31, 2013 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *As more detailed in note 3 of the Statement, no provision has been made for interest of Rs. 747.1 lakhs up to December 31, 2013, relating to earlier years on the outstanding inter-corporate deposits taken by the Company. Had the same been accounted for, the net loss for the quarter ended December 31, 2013 would have been higher by Rs 747.1 lakhs, and the accumulated losses as at that date would have been higher by the same amount. Our audit opinion on the financial statements for the year ended March 31, 2013 and the limited review report for the quarters ended September 30, 2013 and December 31, 2012 were also qualified in respect of the above matter.*
4. Without qualifying our conclusion, we draw attention to note 6 of the Statement. The Company's operating results have been materially affected by various factors, as fully described in the said note, and as at December 31, 2013, the Company's accumulated losses have fully eroded the net worth of the Company. The appropriateness of the going concern assumption is dependent on the Company's ability to establish consistent profitable operations as well as raising adequate finance to meet its short term and long term obligations. Based on the mitigating factors explained in the said note, management believes that the going concern assumption is appropriate.



# **S.R. BATLIBOI & ASSOCIATES LLP**

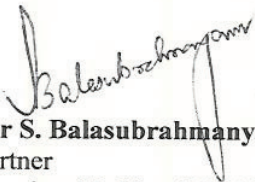
Chartered Accountants

5. Based on our review conducted as above, *except for the effect of the matter stated in paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" (notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013), and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W



**per S. Balasubrahmanyam**

Partner

Membership No.: 053315

Place: Chennai

Date: February 14, 2014

