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KFA reports 1047 Cr improvement in overall operational results

With buoyancy returning to the overall economy towards the second half of the year and in specific the aviation Industry, Kingfisher has seen an 11 point increase in load factors to 71% from 60% in the previous year.

The increase in loads coupled with several cost reduction initiatives has led to a substantial reduction in operating losses by Rs 1,047 Cr (EBITDA loss reduced to 696 Cr in FY 10 Vs 1,743 Cr in FY 09).

The loss after tax for the year has reduced by Rs 493 Cr (Rs 1,647 Cr Vs Rs 2,140 Cr in the previous year).

This performance has been delivered despite the impact of extraordinary items totalling more than Rs 640 cr due to several uncontrollable factors including Rs. 240 Cr on account of grounded aircraft, over Rs. 400 Cr on account of premature termination of aircraft lease, foreign exchange loss and general clean up post the complete integration of Air Deccan.

FY10 Performance

- EBITDA loss of Rs 266 Cr from domestic operations (after accounting Rs. 240 Cr costs of grounded aircrafts), compared to a loss of Rs. 1292 Cr in the same period of the previous year - an improvement of Rs. 1026 Cr
- The company posted a positive 13% EBITDAR of Rs. 598 cr as against a loss of Rs. 251 cr in the previous financial year in respect of its domestic operations.
- The performance was despite intense competition & capacity cuts of 17% on domestic operations
- Kingfisher Airlines continues to remain “India’s favourite airline” and the only five star rated airline in India (as per Skytrax) and the single largest carrier in the domestic industry with a market share of 23% in FY 2010.

- On an overall basis, the company has incurred an EBITDA loss of Rs. 696 crs in FY 10 vs. a loss of Rs 1743 crs in FY 09 during the same period of the previous year – an improvement of Rs. 1047 crs.

A detailed presentation is attached to this note.