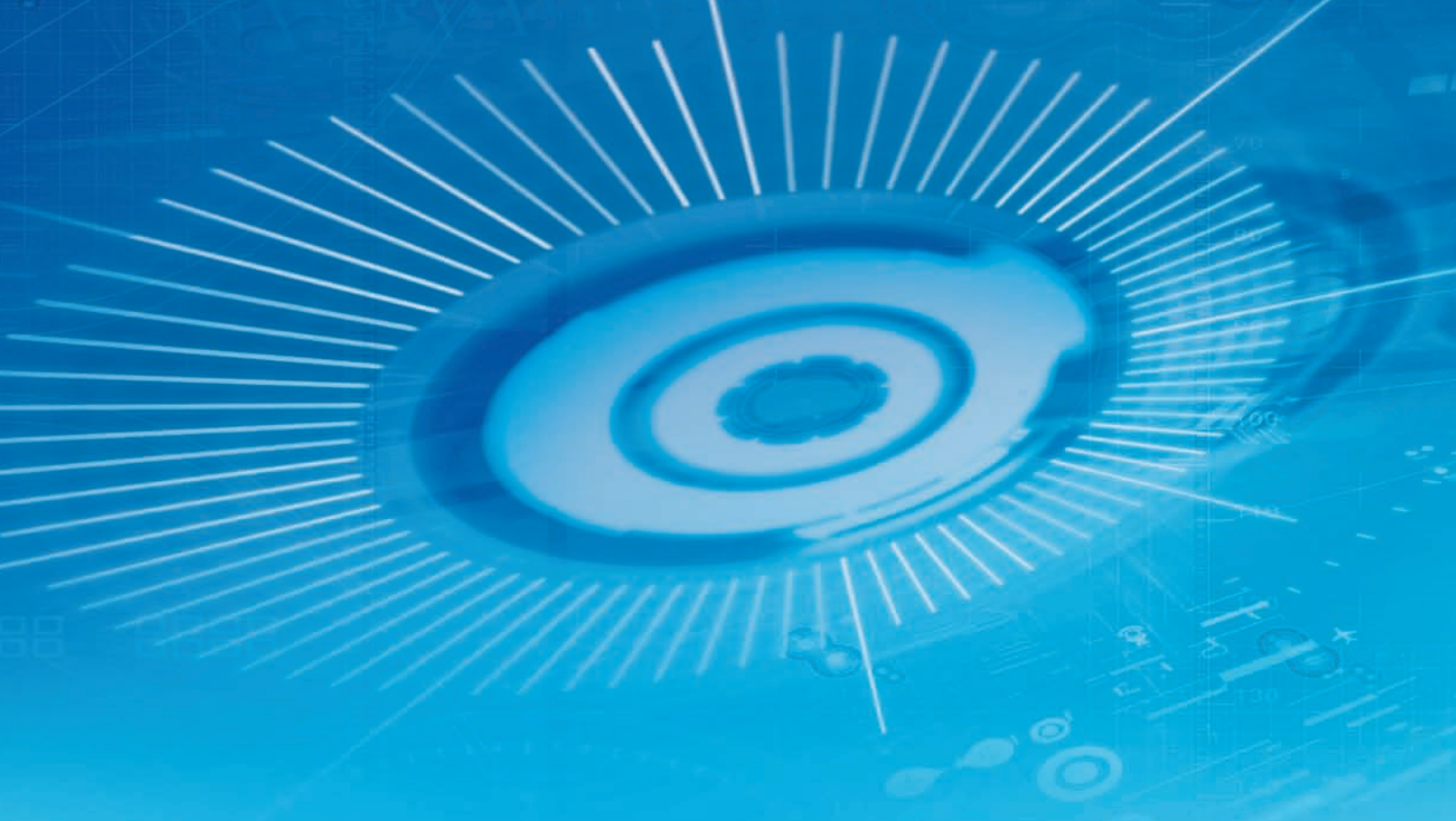




INVESTING IN THE FUTURE



Report  junction.com



Investing in OUR FUTURE

From modest beginnings in 1993 to being recognized as the Best Domestic Airline in Asia for the third time in 2005, our journey has been an exciting and eventful one. In 2005, we extended our reach with the introduction of medium- and long-haul international operations.

Even as we tackle the near-term challenges that airlines in India and around the world

are currently facing, we remain focused on investing in our future. We believe that no other airline in the world shares our unique combination of market leadership, market size and market growth. We will capitalize on this opportunity by investing in our fleet, in our infrastructure, in our product, in our people and in our partners.





Mr. Naresh Goyal
Chairman

Letter from the Chairman

Dear Shareholders,

These are challenging times for the aviation sector, both in India and globally. We are witnessing unprecedented domestic capacity expansion even as airlines struggle with India's infrastructure constraints, significant pressure on yields, rising fuel, staff and other input costs and consequently, lower earnings growth. As shareholders of the Company, your concern about the current market environment is understandable. In the view of the Board and the Management Team, short-term disruptions will continue to be a feature of the domestic aviation industry for the next 12-18 months. However, you can be assured that while tackling these difficult conditions, your Board and the Management Team remain focused on consolidating your Company's leadership position for the future.

For the year ended March 31, 2006, your Company was still able to record a 39% increase in revenues and a 15% increase in profit after tax as compared with the previous year. Your Company's international operations are progressing in-line with our expectations and your Company's fleet expansion plan from 55 aircraft today to around 90 aircraft as of 2009-10, remains on schedule.

In addition to investing a total of approximately US\$ 2.5 billion over the next 3 years in new aircraft equipped with state-of-the-art technology, your Company is investing for the future in several other ways. Pilot and cabin crew training is at the top of the agenda and we are exploring opportunities to establish a flight academy and an integrated training facility to cover all areas of training. Your Company has purchased its second Boeing 737 flight simulator, to be delivered

in December 2006, which will allow your Company to generate up to 150 trainee pilots every year to meet growth requirements. Your Company's maintenance hangar in Mumbai is now fully operational and additional investment opportunities in the maintenance, repair and overhaul (MRO) area are being actively evaluated. Your Company is also closely examining opportunities to expand revenues from cargo, in light of growing volumes of time-sensitive imports and exports. Your Company has also expanded the range of frequent flyer partnerships with foreign airlines such as Lufthansa, Qantas, Gulf Air, Austrian Airlines, Thai and Swiss, which will serve to increase customer retention and provide seamless service to passengers. All of these initiatives are designed to strengthen the Company's competitive position in the years ahead.

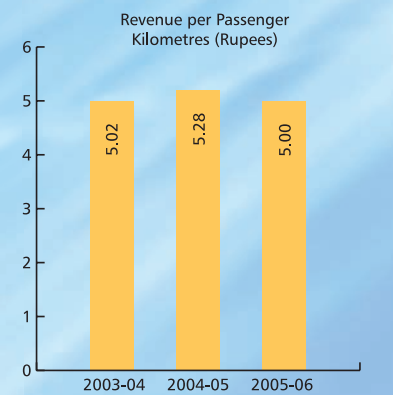
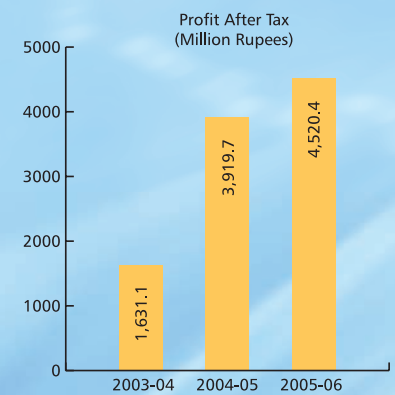
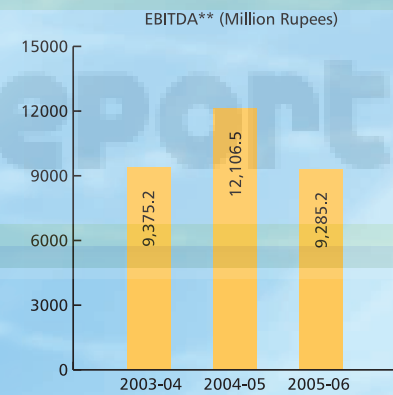
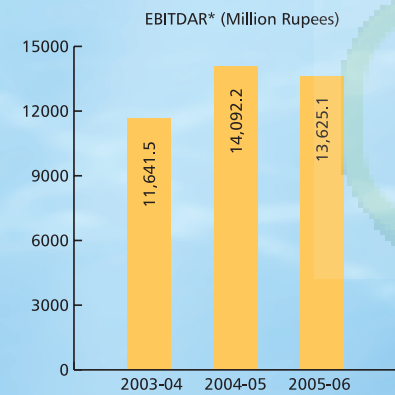
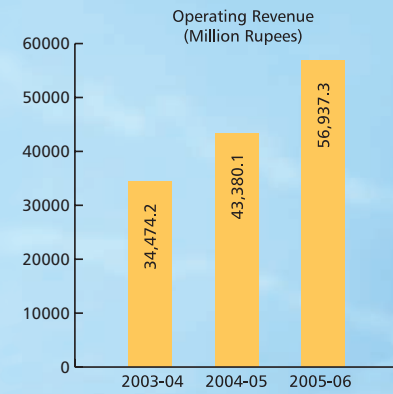
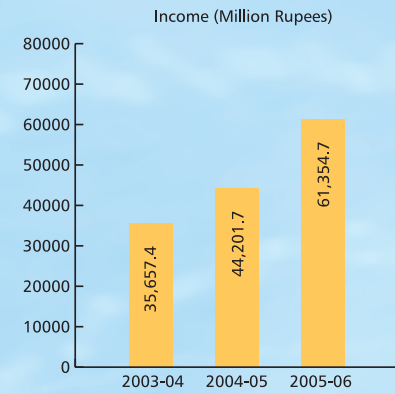
Your Company is also implementing several cost reduction initiatives to ensure continued growth in profitability. Some of these initiatives include increasing the proportion of on-line sales which will allow for a reduction in selling and distribution costs (your Company's target is for at least 25% of ticket sales being via the web over the next 2 years as compared to around 10% today), negotiating better rates for maintenance by leveraging your Company's enhanced size and scale and increasing employee productivity and achieving a lower employee per aircraft ratio even as we increase overall capacity by more than 15% per year. Your Company has already begun hedging its fuel purchased overseas for international operations and awaits a more favourable domestic fuel price environment; until such time, we will continue to selectively evaluate fare increases and fuel surcharges, as appropriate.

It is your Company's view that consolidation in the aviation sector in India is very likely in the near future, given the direction in yields, limited opportunities for meaningful cost reductions and the sustained losses being incurred by new entrants. In closing, I wish to assure you that Jet Airways remains exceptionally well positioned to capture opportunities from the continuing robust growth in domestic and international traffic. We are proactively addressing short-term challenges in order to ensure that we remain deserving of your continued patronage and long-term support.

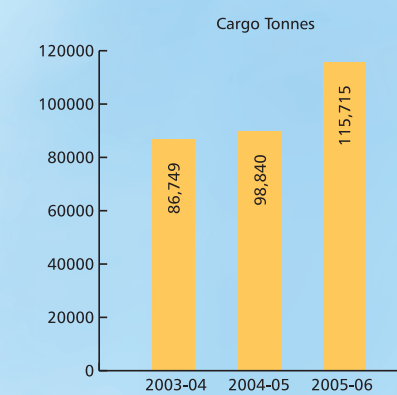
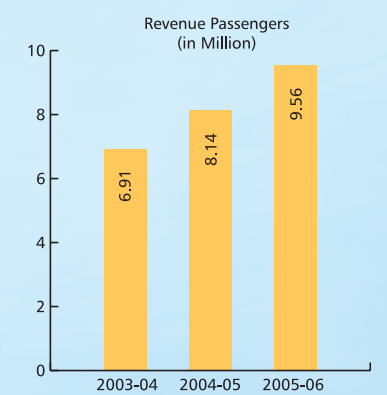
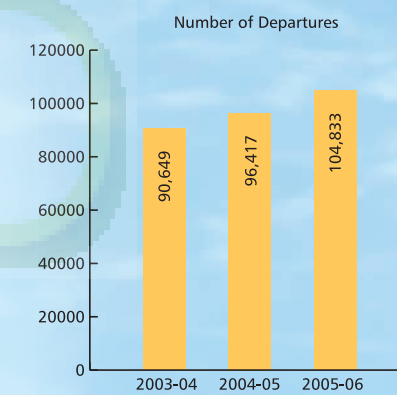
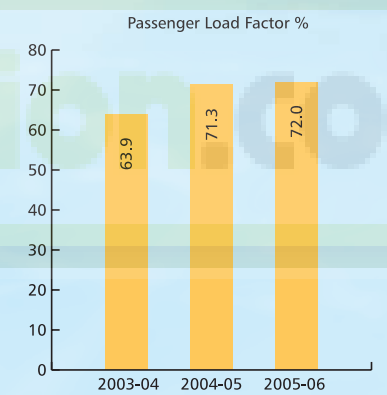
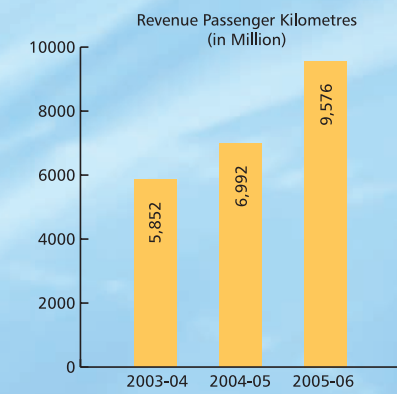
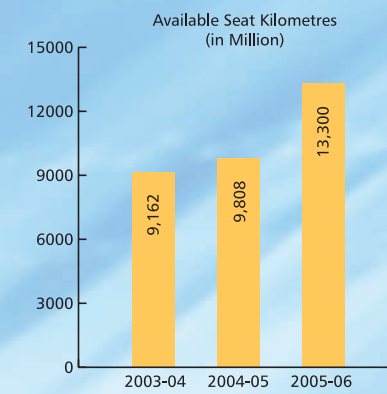
Yours sincerely,

Naresh Goyal

Three-Year Financial Highlights



Three-Year Operating Highlights



*Earnings Before Interest, Income Tax, Depreciation, Amortisation and Aircraft Rentals

**Earnings Before Interest, Income Tax, Depreciation and Amortisation



Investing in OUR FLEET

With an average age of approximately 5 years, Jet Airways operates one of the youngest aircraft fleets in the world today. We have 55 aircraft, comprising 43 mostly New Generation Boeing 737s, eight ATR-72 500s, three Airbus 340-300Es and one Airbus 330-200. A young fleet allows us to offer a superior flying experience for our passengers, while generating meaningful benefits for our shareholders through better fuel economics and reduced maintenance costs.

Over the next three years, we will be undertaking a US\$ 2.5 billion fleet expansion programme. We will be

adding 30 Boeing and Airbus aircraft that are already on firm order: 10 Boeing 737s, 10 Boeing 777-300ERs and 10 Airbus 330-200s. The Boeing 737 aircraft will be deployed mostly on domestic routes, the Boeing 777-300ER aircraft primarily on long-haul routes to the United Kingdom and the United States and the Airbus 330-200 aircraft on regional Asian and shorter-haul European routes. Every aircraft will be equipped with state-of-the-art technology that will allow us to further enhance our competitive advantage and cost efficiency, while reaffirming the "Joy of Flying" for our passengers.

INVESTING IN OUR INFRASTRUCTURE

INVESTING IN OUR INFRASTRUCTURE



INVESTING IN OUR INFRASTRUCTURE

Investing in OUR INFRASTRUCTURE

To ensure the reliability and efficiency of our operations, Jet Airways has been progressively developing in-house maintenance facilities.

Today, we benefit from our own maintenance hangar facility in New Delhi, and a leased facility in Bangalore for line maintenance and Phase 10 or 'C' Checks.

We completed the construction of our hangar complex with workshop and allied facilities in Mumbai during the year. This maintenance facility will enable us to carry out 'C' Checks, line checks, storage and minor rectification of engines,

composite structural repair and in due course, heavy maintenance or 'D' Checks. Over time, this will bring benefits through significantly reduced maintenance costs and improved operational efficiencies.

We will be enhancing our training infrastructure with our second Boeing 737 flight simulator, which will be commissioned by December 2006. Plans are also underway to establish a dedicated facility for pilot training – we expect to create a pool of 100-150 trainee pilots every year – and an integrated training facility for both technical and classroom training as well as development of management talent.

Investing in our product

Investing in our product

Investing in our product



Investing in OUR PRODUCT

As the standard bearer in the domestic aviation sector, we are, in conjunction with investing in the planes which comprise our "hardware", simultaneously investing in products and services that comprise the "software". We have continuously invested in creating significant and meaningful value-adds for our passengers:

- JetMobile, our automated mobile phone flight schedule and delay notification system
- JetKids, our programme designed to make flying fun for children
- Jet Escapes, our customized air-and-hotel travel packages to a wide range of destinations in our network

• JetBoutique, our on-board mall for premium and exclusive products

• SkyScreen, our customized in-flight entertainment system on international routes.

More recently, we have added online booking and online check-in for passengers on domestic routes.

Not only can you now book your ticket from home but you can also print your boarding pass with the same convenience.

India's first and only 'Kiosk Check-in', our latest technology initiative, is now operational.

In the coming months, we expect to add 'mobile ticketing' as well as 'sms check-in' facilities to our product offering.

Investing in OUR PEOPLE

Investing in OUR PEOPLE



Investing in OUR PEOPLE



Investing in OUR PEOPLE



Investing in OUR PEOPLE

The positive feedback we receive from our passengers and their overwhelming recognition of Jet Airways as India's leading airline and one of the world's best is a worthy testament to the time and resources we invest in training our people. Our employees share a common vision of Jet Airways being one of the top five airlines in the world within the next 5 years. They work with uncommon dedication towards helping us achieve this objective.

Our training practices are best-in-class. Training for our pilots is rigorous – each first officer is subject to a stringent suitability check on the simulator for the Boeing 737 aircraft type before commencing command training.

Even before they begin flying with us, each member of our cabin crew team receives more than 500 hours of classroom training in service excellence and safety procedures in our state-of-the-art facilities; thereafter, they undertake around 80 hours of 'refresher' training every year. In addition, we provide a wide range of programmes for employees to enhance their professional skills and ensure personal development, keeping in mind current and future human resource requirements.

Passengers consistently compliment the warmth, sincerity and professionalism of every Jet Airways employee that serves them.

Investing in OUR PARTNERS

With approximately 7,00,000 members today, our frequent flier programme, Jet Privilege, continues to win industry recognition. We have recently expanded our range of frequent flyer partnerships by adding Lufthansa, Qantas, Austrian Airlines, Swiss and Thai Airways. In addition to through check-in partnerships with 15 airlines worldwide, we also have interlining agreements with 124 airlines for passenger traffic and 55 airlines for cargo traffic. We are steadily increasing our through check-in as well

as interline partnerships as we are exploring opportunities to offer a seamless and enjoyable travel experience for our passengers.

Jet Airways works with over 2,200 travel agents in India and 66 general sales agents worldwide. We have joined the Billing Settlement Plan (BSP) system – an IATA-sponsored standardized ticketing and collection system for our domestic operations to complement our BSP memberships in North America, UK, France, Germany, Switzerland and other key locations.



“ I had to meet my mother and had only two days in India... Unfortunately my flight from Mumbai was delayed and I missed my connecting flight to Udaipur... Sameer Bharadwaj and Ashwani Sachdeva took care of me and let me feel that I am not alone in the situation and made all the necessary arrangements to connect me with my mother... I got in crying and angry but got out with satisfaction and a smile. ”

Mr. Anon Ella

“ ...Amit came out of his office to get my mother a wheelchair. Veer on seeing my mother's condition offered Jet's staff room for her to sleep. Neha on the other hand, kept checking on her in the staff room. Excellent generosity and customer service. Great work. ”

Mr. Nitesh Batra

“ ...My appreciation for the presence of mind in helping my fresh-from-surgery brother-in-law travel on time to Chennai for his wedding. We didn't understand the fitness certificate and feasibility for wheelchair assistance... I wish to express my appreciation and a word of praise on your sense of urgency and proper procedure. ”

Mr. Sridhar Tanjore

“ Knowing I was hearing-impaired staff members went out of their way to help me... Ms. Nomayk conversed in writing, guided and assisted me and pleaded with the passengers in the queue behind to be patient... Mr. Parmar escorted me, completed all formalities, filled in requisite forms and brought me to the Boarding Lounge. Behaviour of these two staff was praiseworthy. ”

Mr. Devi Singh Chouhan