It's time to start soaring again

Looking forward to newer opportunities

Jet Airways (India) Limited | Annual Report 2011

JET AIRWAYS


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Bahrain
Singapore
Milan
Toronto
New York
Johannesburg
Brussels
London
Flights to over
20 international destinations.
Riyadh
Kathmandu
Bangkok
Hong Kong
Kuala Lumpur
Colombo
Abu Dhabi
Doha
Kuwait

14 Codeshare Partners

25 Frequent Flier Partners

158 Interline Partners

87 Interline eTicketing Partners

41 Through Check-in Partners

It's how we connect you across the globe.

Codeshare Partners

JetLite · Air Canada · ANA · American Airlines

brussels airlines · Etihad Airways · Gulf Air · Kenya Airways The Pride of Africa

Malaysia Airlines · Qantas · United · Emirates

virgin atlantic · Alitalia

Frequent Flier Partners

JetLite · Air France · ANA · American Airlines · Austrian

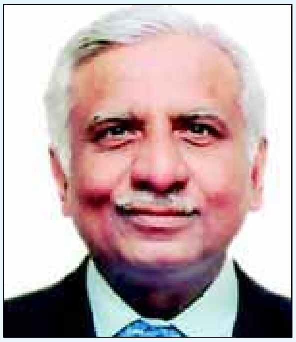
brussels airlines · Cathay Pacific · Delta · Dragonair · Emirates

Etihad Airways · Gulf Air · Kenya Airways The Pride of Africa · KLM · Lufthansa

Malaysia Airlines · Qantas · South African Airways · swiss · Turkish Airlines

United · virgin atlantic · US Airways · British Midland International bmi · Alitalia

Letter from the Chairman



Dear Shareholders,

In my letter to you last year, I had stated that we in Jet Airways were optimistic that there would be a significant improvement in the performance of the Company in 2010-11 and that the Management was implementing several marketing and operational measures to achieve this. I am glad to inform you that our efforts have been reasonably successful. The Company's performance during the year under review, in terms of operational and financial parameters, has shown a marked improvement over the previous year.

Despite the sharp increase in the price of Aviation Turbine Fuel (ATF) particularly during the fourth quarter of the financial year, the Company was successful in reporting a record profit before tax of Rs.466 million as against a pre-tax loss of Rs.4,676 million in the previous year. The Company achieved a seat factor of 78.6% on its system-wide operations and carried 14.7 million passengers on its services, which was 22% higher than in 2009-10. The Company achieved an EBITDAR of Rs.24.8 billion, 19% higher than the previous year.

According to the Directorate General of Civil Aviation (DGCA), the Indian domestic traffic for the year continued to show an impressive growth rate of 21%, thereby expanding the available air traffic market base of the country. As in the previous year, the growth, however, has occurred largely in the lower end of the price range. As a result, the Company and industry have not been able to derive significant benefit in financial terms. However, a marginal increase in the average yields on the Indian domestic routes has led to a decrease in the break-even load / seat factors from 80% in 2009-10 to 78.6% in 2010-11.

The Jet Group continues to maintain its leadership position in the Indian aviation industry, with an estimated market share of 25.4% during the year ended 31st March, 2011 (as per DGCA data). Additionally, the specific initiatives undertaken by the Company, coupled with improvements in infrastructural facilities and measures implemented by the Ministry of Civil Aviation in the area of air traffic control procedures, has enabled us to record a better on-time performance in our domestic operations at 88.4% vs. 76.6% in the previous year.

Our international business continues to be robust. In 2010-11, revenues from international operations accounted for 57.2% of the Company's total revenues. We have continued to achieve high seat factors on our international routes. The new routes that we introduced over the last couple of years - between Mumbai and Johannesburg and between Delhi and Milan have started gaining momentum and achieving load factors of around 70%. We have also added some new short-haul flights between India and the Gulf and Middle East, which have boosted our network traffic flows.

Letter from the Chairman (contd.)

The year under review also saw the fruition of several of the Government's infrastructure facilities in support of the aviation industry – the best example being the opening of the new terminal - T3, in New Delhi. Green field airports in Hyderabad, Bengaluru and New Delhi and the on-going upgradation of terminals in Mumbai has been a turning point in the history of India's civil aviation industry as for the first time, the country truly has been able to offer facilities comparable to the best in the world to passengers travelling to, from or transiting through, India.

The availability of the modern upgraded facilities has enabled us to consciously promote the development and use of New Delhi and Mumbai airports as transit hubs connecting the western markets of Europe, UK and North America with points in SAARC region and East Asia. Mumbai and New Delhi are fast turning into efficient hubs for our domestic traffic as well. India now successfully competes as a transit hub with Dubai, Doha, Singapore, Bangkok and Kuala Lumpur, which are used by well-known international airlines.

The Company has relentlessly continued its efforts to reduce costs and achieve greater efficiencies. As a result, we were able to reduce the cost per Available Seat Kilometers (excluding fuel) by 11.8%. This factors in the full year impact of the cost reduction and route rationalization measures implemented during the previous year. The Management of the Company is fully cognizant of the importance and essentiality of sustaining these efforts going forward, not merely because of the competitive pressures, but also to counter the inflationary trends and the continued volatility in fuel prices. While the industry has been trying to pass on the impact of the fuel price increases to customers by increasing fuel surcharges, we have to remain conscious of the resultant impact on market growth and price elasticity.

Notwithstanding the impressive performance of the Indian domestic market and its impressive expansion during the year under review, internationally, the scenario of the aviation industry continues to be somewhat grim. This is because of the rapid increase and volatility in fuel prices in the first quarter of 2011 coupled with political upheavals in certain countries in the Gulf and Middle East, which are important oil producing countries. Exacerbating the problem is the extremely slow recovery in the United States and European economies.

At the annual general meeting of the International Air Transport Association (IATA) held in Singapore last month, IATA further downgraded the airline industry profit forecast for 2011 to USD 4 billion. This is a 54% reduction compared to the forecast in March 2011 and a 78% drop compared to the industry profit recorded in 2010. IATA has attributed this reduction to the impact of natural disasters (namely the Japan earthquake and tsunami), the unrest in the Middle East and North Africa region and the sharp increase in oil prices.

Letter from the Chairman (contd.)

Since the Indian economy is expected to continue to achieve a high GDP growth of 8% to 9%, there is no reason to expect a slowdown in the growth of the Indian aviation market. We have therefore planned to induct six additional narrow body aircraft for deployment on the domestic and regional routes. In a few months from now, we will also get back four of our B777-300ER aircraft on expiry of the dry lease agreements with Turkish Airlines. The Company has decided to lease out two of these aircraft to Thai International Airways. Following this, a total of five of the Company's B777-300 ERs will be on lease to Thai International Airways. We have decided to operate the remaining two B777-300ER aircraft returned by Turkish Airlines ourselves, thereby upgrading our services to Hong Kong and the US.

I would like to take this opportunity to express my concerns regarding the heavy taxes that the Indian authorities continue to levy on ATF and the new / additional airport levies that have been introduced. The authorities need to recognize that neither these additional costs can be passed on to the passengers as it will only dampen or stifle demand, nor can the airlines themselves absorb any of these costs due to their fragile financial conditions.

To conclude, I would like to thank the 19 million passengers who flew with us and the shareholders who have continued to repose their faith in us. I am grateful to the aircraft lessors and the banks that have financed our aircraft and assisted us re-structure some of our aircraft leases and loans which have enabled us to reduce our costs. I also wish to thank every member of the management and staff of Jet Airways and Jet Lite for their loyalty, dedication and hard work in overcoming the adverse conditions that the Company is passing through.

Naresh Goyal
Chairman

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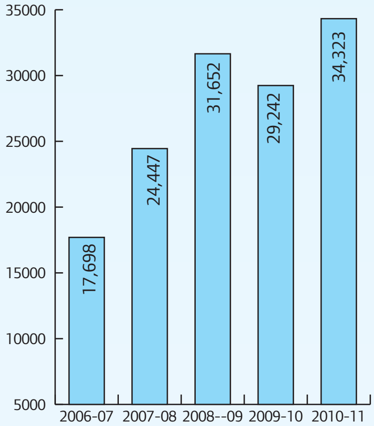
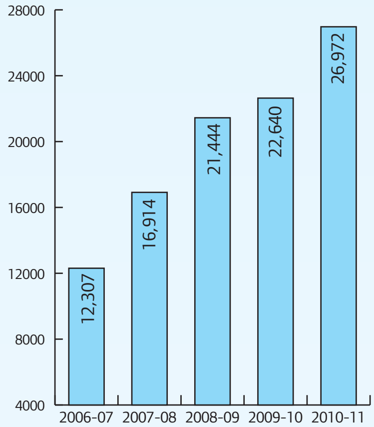
Operating Highlights

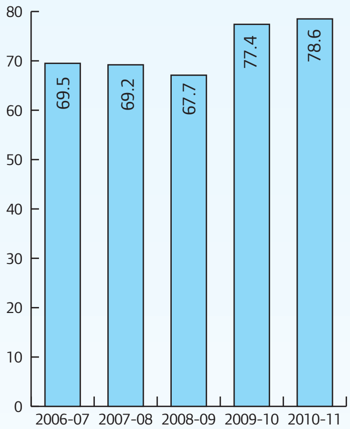
Available Seat Kilometres (in Million)



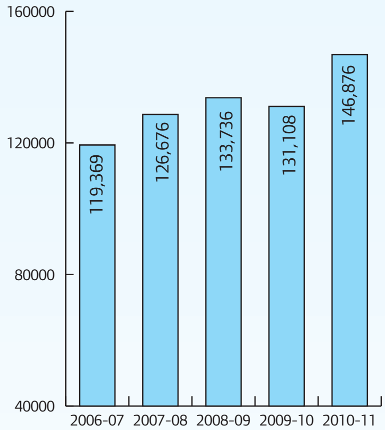
Revenue Passenger Kilometres (in Million)



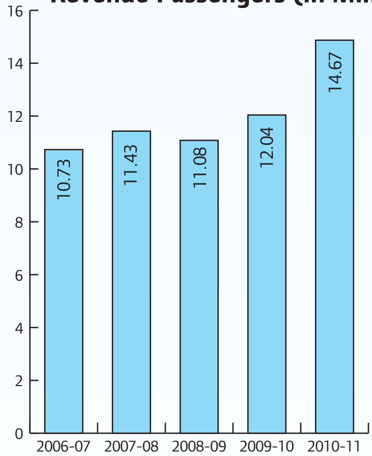
Passenger Load Factor (%)



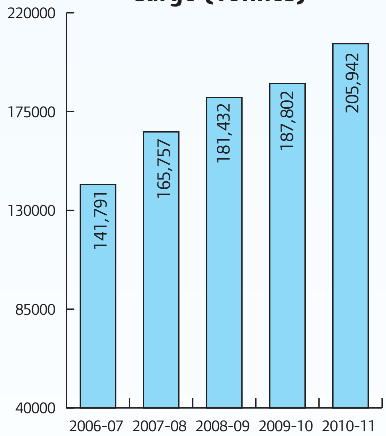
Number of Departures



Revenue Passengers (in Million)

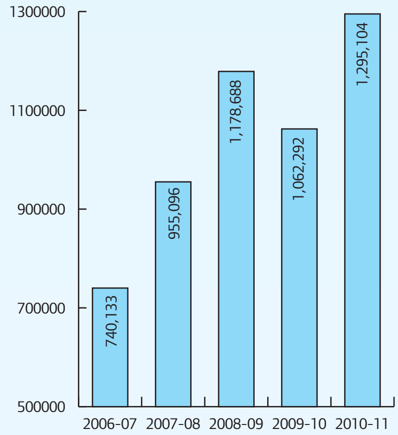


Cargo (Tonnes)

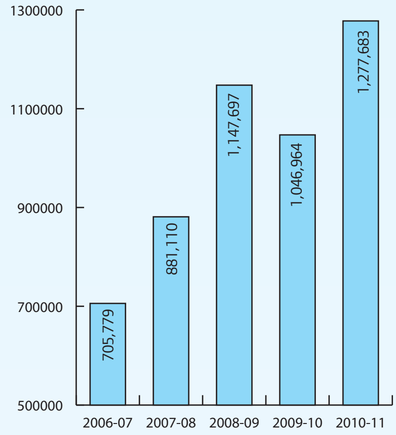


Financial Highlights

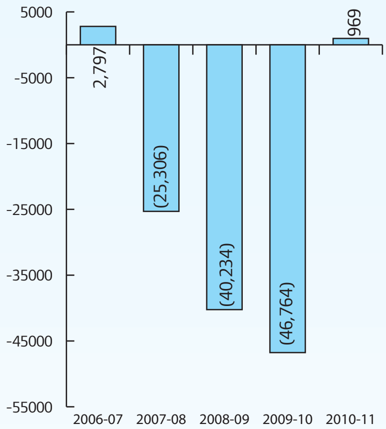
Income (Rs. in lakhs)



Operating Revenue (Rs. in lakhs)

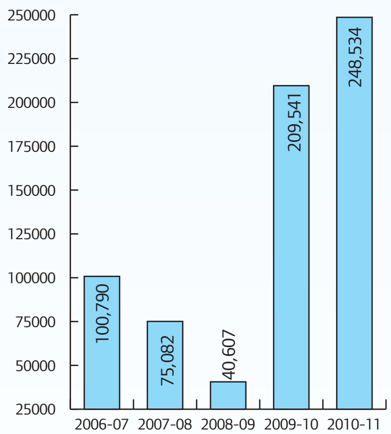


Profit After Tax (Rs. in lakhs)

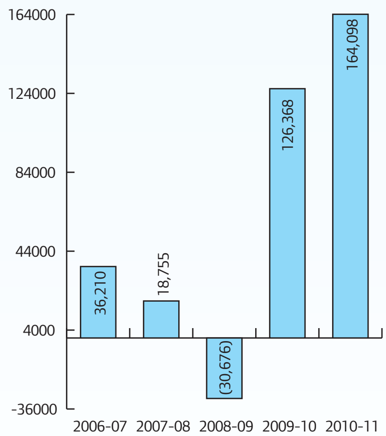


Revenue per Passenger Kilometres (Rs.)

EBITDAR* (Rs. in lakhs)



EBITDA** (Rs. in lakhs)



* Earnings Before Interest Taxation Depreciation Amortisation and Rentals
** Earnings Before Interest Taxation Depreciation and Amortisation

Corporate Information

Board of Directors

Mr. Naresh Goyal	Chairman
Mr. Saroj K. Datta	Executive Director
Mr. Ali Ghandour	
Mr. Victoriano P. Dungca	
Mr. Javed Akhtar	
Mr. I. M. Kadri	
Mr. Aman Mehta	
Mr. Yash Raj Chopra	

Company Secretary

Ms. Monica Chopra	Company Secretary & Associate Legal Counsel

Senior Management

Mr. Nikos Kardassis	Chief Executive Officer
Mr. Saroj K. Datta	Executive Director
Capt. Hameed Ali	Chief Operating Officer
Mr. Sudheer Raghavan	Chief Commercial Officer
Ms. Anita Goyal	Executive Vice President - Revenue Management & Network Planning
Mr. Sitham Nadarajah	Executive Vice President - Technical
Mr. M. Shivkumar	Sr. Vice President - Finance

Statutory Auditors

Deloitte Haskins & Sells

Chaturvedi & Shah

Legal Advisors

Gagrats

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Fax: +91 22 6121 1950
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