



**DECCAN AVIATION LIMITED**  
 Regd. Office: 35/2, Cunningham Road, Bangalore – 560 052  
**UNAUDITED FINANCIAL RESULTS**  
**FOR THE QUARTER ENDED 30th SEPTEMBER, 2007**



(Rs in lakhs)

Sl No	Particulars	3 months ended 30.09.2007 and year to date figures for Current Period ended 30.09.2007 (Unaudited)	Corresponding 3 months ended 30.09.2006 and year to date figures for previous period ended 30.09.2006 (Unaudited)	Previous Accounting Year ended 30.06.2007 (Audited)
1	Net Income from Operations	44521	35870	177455
2	Other Income	2043	17738	36776
3	Total Income (1 + 2)	46564	53608	214231
4	Expenditure			
	a) Employees Remuneration & Benefits	7788	5414	25179
	b) Aircraft Fuel Expenses	28347	24011	97950
	c) Aircraft / Engine Lease Rentals	11365	8644	40305
	d) Aircraft / Engine Repairs & Maintenance	6421	4277	22750
	e) Airport Related Charges	7357	6680	29795
	f) Other Direct Operating Expenses	4672	3332	16110
	g) Selling, General & Administrative Expenses	2086	3509	13127
	h) Depreciation and Amortisation	1322	1012	4392
	i) Total	69358	56879	249608
5	Interest and Finance Charges	2413	943	6240
6	Exceptional Items	-	-	-
7	Profit/(Loss) from ordinary activities before Tax (3) - (4+5+6)	(25207)	(4214)	(41617)
8	Tax Expense	111	80	341
9	Net Profit/(Loss) from ordinary activities after tax (7-8)	(25318)	(4294)	(41958)
10	Extraordinary items (net of tax expense Rs. NIL )	-	-	-
11	Net Profit/(Loss) for the period (9-10)	(25318)	(4294)	(41958)
12	Paid up Equity Share Capital [Face value of Rs 10/- each]	13563	9818	13547
13	Reserves excluding Revaluation Reserves			24923
14	Earnings Per Share (EPS)			
	a) Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year	(18.68)	(4.37)	(42.24)
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	(18.68)	(4.37)	(42.24)
15	Public shareholding			
	- Number of shares	78247067	76019507	113307618
	- Percentage of shareholding	57.69%	77.43%	83.64%

**Notes**

1

The above financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors at the meeting held on 31st October 2007 and have been subjected to limited review by the statutory auditors.

- 2 The Company Operates in a single business segment i.e., of providing scheduled & unscheduled air transport services & operates only in India. Accordingly, no separate segment disclosures for primary business segment & geographical
- 3 Clause 41 of the Listing Agreement - 9 Complaints were received and disposed off during the quarter ended 30th September, 2007. There were no complaints outstanding at the beginning or at the end of the quarter.



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4 The details of the Net IPO proceeds are as stated below:-

<b>Particulars</b>	<b>Utilisation as projected in the Prospectus (Rs in lakhs)</b>	<b>Actuals as on 30th September 2007 (Rs in lakhs)</b>
Setting up a training centre	6567	0
Setting up a hangar facility for basic and medium level maintenance	4002	844
Setting up infrastructure at airports	1708	825
Market Development Initiatives	4522	2307
Debt Repayment	13275	6069
General Corporate Purposes	4195	9297
Issue Expenses	2059	2078
<b>Total</b>	<b>36328</b>	<b>21419</b>

In view of certain identified and realised savings in certain items of planned uses of the IPO proceeds, the resultant savings have been transferred to General Corporate Purposes. Pending utilisation as at 30th September, 2007, the balance funds have been placed in term deposits with banks.

- 5 During the previous financial year (period), the Company's treatment of certain deferred expenses were subject to qualifications by the statutory auditors and such qualification continues for the current quarter also. As a result, the loss for the current quarter is overstated by Rs. 227 lakhs.
- 6 Pursuant to the Accounting Standard 15 (Revised) - "Employee Benefits" issued by the Institute of Chartered Accountants of India, being mandatory for accounting periods commencing on or after 7th December 2006, the necessary adjustment on account of employee benefits up to 30th June 2007 has been dealt with in the opening reserves as per transitional provisions and the current period's provisions are made on estimates.
- 7 Pursuant to the issuance of Companies (Accounting Standards) Rules, 2006 by Ministry of Corporate Affairs and withdrawal of the announcement "Treatment on exchange differences under AS 11 (revised 2003), The effects of changes in Foreign Exchange Rates vis-a-vis Schedule VI to the Companies Act, 1956", by ICAI, the Company has applied AS 11 for restatement of Capital Advances and Foreign currency borrowings for acquisition of fixed assets. In view of the application of the new rules effective from the current accounting year beginning 1st July 2007, the Company's loss for the quarter is higher by Rs 317 lakhs.
- 8 During the period, the Company has allotted 162,680 Equity shares of Rs. 10/- each on exercise of Employee Stock Options at Option Exercise Price of Rs. 65/- per Equity share. The paid up capital of the Company stands increased to Rs.135,63,17,980/-
- 9 Consequent to the allotment of 35,222,231 Equity Shares of Rs.10/- each amounting to 26% of the voting capital of the Company, to Kingfisher Radio Limited (Acquirer) on Preferential Basis, the said Acquirer, along with United Breweries (Holdings) Limited and UB Overseas Limited, being Persons Acting in Concert, have completed the Open Offer to the shareholders of the Company, to acquire 27,126,360 fully paid Equity Shares representing 20% of the post acquisition of the Company at a price of Rs155/-, pursuant to Regulation 10 and 12 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997. This has resulted in an increase in the voting capital held by Kingfisher Radio Ltd and Associate companies to 46%. Consequently, Deccan Aviation Limited is an associate company of UB Group.

for DECCAN AVIATION LIMITED

Place: Bangalore  
Date: 31st October, 2007

Sd/-  
Capt G.R.Gopinath  
Managing Director