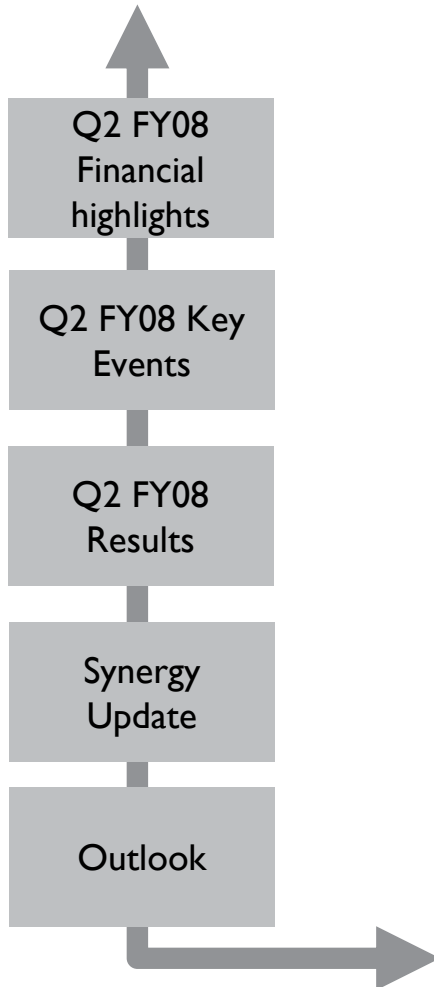


AGENDA



**Deccan: India's No.1
high value carrier**



**Investor Brief
Deccan**

31st January 2008



Financial Highlights – Q2 FY08



- Total Revenues of INR 5,773 millions
 - Up 14% over Q2 FY07
- Average revenue per passenger – 3,214
 - Up 12% over Q2 FY07
- EBITDAR of INR 51 millions
 - Up 240% over Q2 FY07
- Loss before tax of INR (1,221) millions (excluding one-off expenses / income)
- Revenue Passengers carried – 1,765,690
 - Up 7.4% over Q2 FY07



Simplify

DECEMBER

Q2 FY08 Key Events

Q2 FY08 Key Events



Going forward, our objective of profitable growth is intertwined with our ability to be consistently safe, reliable and customer friendly in our operations.

Dec 2007 vs. Dec 2006	DKN's improvement when compared to last year
Punctuality	% improvement in OTP
<i>OTP within zero</i>	28%
<i>OTP within 15</i>	19%
Cancellations	% decrease in Canx Nos
Total	-43%
<i>ATR</i>	-38%
<i>A320</i>	-65%



In recognition to the performance, Galileo Express Travel World adjudged Deccan, second time running, as India's best domestic low cost carrier for 2007.

Q2 FY08 Key Events



Going forward, our objective of profitable growth is intertwined with our ability to be consistently safe, reliable and customer friendly in our operations.

- The stake by UB Group led Deccan
 - towards new branding strategies and implementation of the new look
 - most importantly towards providing a higher quality of care & service to our passengers at all customer touch points
 - Towards implementation of better operational strategies



4th Oct-1:00pm: An action packed ticketing counter at Bangalore Airport on Day 1 of the re-branding



Our team at work, during the refurbishing activities at the Bangalore airport. Also seen our ground staff in new vibrant uniforms.

Going forward, our objective of profitable growth is intertwined with our ability to be consistently safe, reliable and customer friendly in our operations.

- A new customer friendly cancellation policy was rolled out in October 2007 which aims at providing our guests more options when it comes to rescheduling and cancellations.



"Sorry, the flight left on time"

In line with the simplification model, several sales & marketing initiatives were introduced in Q2

Sales Initiatives:

- Web, Agents and OTA initiatives
- Charter and Groups desk formed
- Renewed focus on airport counters initiatives

Marketing Initiatives:

- Booking made easy:
 - Tele check-in facilities
 - Door Delivery of Tickets
- Customer focused initiatives:
 - unlimited free tickets to lucky fliers for 80 days
 - Fly more to fly free: Buy 6 – get 1 free
 - Infants fly for free



Fly more to fly free!

Buy 6 tickets, get 1 absolutely free*.
Buy 10 tickets, get 2 absolutely free*.

Dear Sir/ Madam,

Deccan is pleased to announce yet another benefit for its flyers. Now 6 Deccan tickets will get you one ticket absolutely free and 10 tickets will fetch you the 11th and 12th absolutely free.

Just visit www.airdeccan.net and ensure you register yourself for this scheme. Once you have registered, we will keep track of the tickets you buy and intimate you when you become eligible for a free ticket. This is just another initiative to help you fly better and more too. Happy flying!

Best regards
Deccan Team

To book and simplify
www.airdeccan.net
Ph: 080-3900 8888
(please prefix your city code while calling from your mobile)

Simplify DECCAN
The choice is simple



Book one ticket and get

Unlimited free tickets for 80 days

Book your ticket on www.airdeccan.net between the 20th and 25th of November** You could be amongst 100 lucky fliers who will get unlimited free tickets for 80 days**.

Buy at www.airdeccan.net

Simplify DECCAN
The choice is simple

For tickets and enquiries call 080-3900 8888 (please prefix your city code while dialing from your mobile). Tickets are also available at your nearest Deccan office world-wide. For travel between 20th November and 15th December. ** For travel between Jan 15th and Mar 30th 2008.





Simplify
DECCAN

Q2 FY08 Results

- On back of a difficult quarter, the Company saw progressively a definitive change in customer perception on account of the various process and systems in place.
- The re-branding exercise, whilst providing a positive impact, had associated one-off costs
- The Net loss of INR 1,908 million included a one-time cost impact of INR 676 million
- Excluding the one-time cost, the Net loss was down to INR 1,232 million and EBITDAR at a positive INR 51 million
- This was despite:
 - an increase in Fuel cost by 13% – over Q2 FY07
 - higher employee costs – on account of retraining and inducting customer facing staff for enhanced customer services – over Q2 FY07

Company P&L
HI08: Q208 vs. Q108

In INR Millions	H1 08	Q2 08	Q1 08
INCOME			
Operating Revenues	10,128	5,676	4,452
Non Operating Revenues	302	97	205
Total Revenue	10,430	5,773	4,657
Expenditure			
Employee Remuneration & Benefits	1,597	819	778
Aircraft Fuel Expenses	5,712	2,877	2,835
Selling, General & Advertising Expenses	690	487	203
Other Operating Expenses (includes a/c maint / repair)	3,835	1,985	1,850
Aircraft Lease Rentals	2,276	1,139	1,137
Depreciation & Ammortization	251	119	132
Interest & Finance Charges	485	244	241
Total Expenditure	14,846	7,670	7,176
PROFIT BEFORE TAXATION	(4,417)	(1,897)	(2,520)
Provision for Taxation	22	11	11
PROFIT AFTER TAXATION	(4,438)	(1,908)	(2,530)
ONE-TIME IMPACT			
Total Revenue	10,430	5,773	4,657
Total Expenditure	14,846	7,670	7,176
less Extraordinary cost**	757	676	81
Adjusted Total Expenditure	14,089	6,994	7,095
ADJUSTED PROFIT BEFORE TAXATION	(3,660)	(1,221)	(2,439)
Provision for Taxation	22	11	11
ADJUSTED PROFIT AFTER TAXATION	(3,681)	(1,232)	(2,449)

** includes rebranding & one time costs

Summary: DKN Quarter Performance

In INR Millions			
	H1 08	Q2 08	Q1 08
Total Revenue	10,430	5,773	4,657
Adjusted Expenditure**	14,089	6,994	7,095
<i>of which Fuel</i>	5,712	2,877	2,835
Profit before Tax	(3,660)	(1,221)	(2,439)
Profit after Tax	(3,681)	(1,232)	(2,449)
EBITDAR	(878)	51	(929)
<i>Margin</i>	-8%	1%	-20%
EBITDA	(2,924)	(858)	(2,066)
<i>Margin</i>	-28%	-15%	-44%

**includes rebranding & one time costs

Company P&L

Q208 vs. Q207



In INR Millions	Q2 08	Q2 07
INCOME		
Operating Revenues	5,676	4,749
Non Operating Revenues	97	1,619
Total Revenue	5,773	6,368
Expenditure		
Employee Remuneration & Benefits	819	596
Aircraft Fuel Expenses	2,877	2,484
Selling, General & Advertising Expenses	487	359
Other Operating Expenses (includes a/c maint / repair)	1,985	1,583
Aircraft Lease Rentals	1,139	1,016
Depreciation & Ammortization	119	104
Interest & Finance Charges	244	124
Total Expenditure	7,670	6,266
PROFIT BEFORE TAXATION	(1,897)	102
Provision for Taxation	11	6
PROFIT AFTER TAXATION	(1,908)	96
ONE-TIME IMPACT		
Total Revenues	5,773	6,368
less Extraordinary one time income*		1,326
Adjusted Total Revenue	5,773	5,042
Total Expenditure	7,670	6,266
less Extraordinary cost**	676	120
add any provision written back		125
Adjusted Total Expenditure	6,994	6,271
ADJUSTED PROFIT BEFORE TAXATION	(1,221)	(1,229)
Provision for Taxation	11	6
ADJUSTED PROFIT AFTER TAXATION	(1,232)	(1,235)

* includes one-time income from HSH/Investec facility

** includes rebranding & one time costs

Summary: DKN Quarter Performance

In INR Millions	Q2 08	Q2 07
	Adjusted Revenue*	5,773
Adjusted Expenditure** <i>of which Fuel</i>	6,994 2,877	6,271 2,484
Profit before Tax	(1,221)	(1,229)
Profit after Tax	(1,232)	(1,235)
EBITDAR <i>Margin</i>	51 1%	15 0%
EBITDA <i>Margin</i>	(858) -15%	(1,001) -20%

*includes one-time income from HSH/Investec facility

**includes rebranding & one time costs

Simplify

DESIGN



Synergy Update



The leading Airline company in India



- **Post merger, the airline will have product offering across the entire spectrum of the passengers needs viz., business class, economy class and value class**
- **The various areas of synergy in place, which will result in increased efficiencies and effective utilization of resources are as below:**
 - Routes and frequency meshing by leveraging on the combined strengths, in terms of network reach, connections, frequencies, infrastructure, of both groups.
 - Manpower sharing in terms of engineers and security staff at various airports
 - Maintenance, procurement and ground infrastructure – materials management done on a combined basis
 - Ground Handling by common GHAs
 - Increased connectivity, feeder services, distribution penetration
- **Synergies benefit evaluation is being done by Accenture with respect to:**
 - Reducing network overlap to enable DN to profitably serve price conscious customers
 - Using same airports, slots, parking bays
 - Re-calibrating capacity deployment to facilitate optimal utilization of capital
 - Using each other's strength to further the sales and marketing prowess



Outlook

- Process and systems in place to move forward on a stronger operational base.
- Focus on Operational excellence in all areas.
- Manage capacity additions in order to ensure rationale deployment of resources.
- The upside on account of Synergy has not been considered and is expected to assist the Company in its path to profitability.

Simplify

DECOAN

Thank you

