

Comair Limited

Reg. No. 1967/006783/06
 Incorporated in the Republic of South Africa
 (Comair or 'the Company')
 ISIN Code: ZAE000029823 Share Code: COM

Audited Group Results for the Year Ended 30 June 2003

The Directors have pleasure in announcing the Group results for the year ended 30 June 2003.

Earnings Review

In line with our trading update of 11 July 2003, Comair nevertheless did well to maintain a R11.9 million operating profit before exceptional items (prior year: R11.9m) in a year of unprecedented challenges. Headline earnings per share increased from 3.6 cents last year to 6.5 cents.

Operating margins remained tight with cost fluctuations linked to volatile currency and crude oil movements during the year. Jet fuel accounts for approximately 25% of the Company's total operating costs while about 45% of total operating costs are linked directly to the US Dollar exchange rate.

The 7% revenue growth was encouraging in a market characterised by general overcapacity placing yields and load factors under pressure.

Cash generated from operations was strong at R66.7 million (prior year: R45.9 million) contributing to the R168 million cash balance at year-end.

Prospects

The tough trading conditions experienced for the financial year ending June 2003 have continued for the first two months of the 2004 financial year with market overcapacity impacting on load factors and yields.

The company is expected to achieve operating cost savings should the average Rand / Dollar exchange rate and crude oil prices be better than the past financial year.

There are reasonable prospects for an improved operating profit for the June 2004 financial year.

Dividends

The Directors of Comair have resolved to maintain a dividend of 2.0 cents per share (prior year: 2.0 cents) to shareholders. The last day to trade (cum the dividend) in order to participate in the dividend will be Thursday 18 September 2003. The shares will commence trading "ex" dividend from the commencement of business on Friday 19 September 2003 and the record date is Friday 26 September 2003. Share certificates may not be de-materialised or re-materialised between Friday 19 September 2003 and Friday 26 September 2003 both days included. The dividend payment will be made on Monday, 29 September 2003.

Financial statements

The annual financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice. The accounting policies used in the preparation of these results are consistent in all material respects with those used in the previous years. These financial statements have been audited by Fisher Hoffman PKF (JHB) Inc., whose unqualified audit report is available for inspection at the registered office of the company. The company's annual report will be issued during September 2003. Notice is hereby given that the Annual General Meeting of shareholders of Comair will be held in the Comair Stores Building, 1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park 1619 on Monday, 27 October 2003 at 12h00.

By order of the Board

D Novick P van Hoven
 Chairman Managing Director 1 September 2003

ABRIDGED GROUP BALANCE SHEET

	2003	2002
	R'000	R'000
Assets		
Property, plant and equipment	295,452	334,304
Loan to share incentive trust	13,583	14,040
Unlisted investments	-	96,226
Current assets	408,642	344,894
	<u>717,677</u>	<u>789,464</u>
Equity and liabilities		
Share capital and reserves	352,633	383,933
Interest bearing liabilities	21,331	171,460
Deferred taxation	8,017	26,629
Current liabilities	335,696	207,442
	<u>717,677</u>	<u>789,464</u>

ABRIDGED GROUP INCOME STATEMENT

	2003	2002
	R'000	R'000
Revenue	1,365,907	1,284,962
Operating Expenses	1,353,976	1,273,104
Operating Profit before exceptional items	11,931	11,858
Aircraft deposit translation loss	(11,604)	-
Aircraft impairment write-down	(35,000)	-
Sun Air investment settlement	(3,600)	-
(Loss) / profit from operations	(38,273)	11,858
Net investment income / (loss)	987	(1,085)
(Loss) / profit before taxation	(37,286)	10,773
Taxation	14,386	4,539
Attributable (loss) / earnings	<u>(22,900)</u>	<u>15,312</u>

SALIENT FEATURES

	2003	2002
Headline earnings per share (cents)	6.5	3.6
Earnings per share (cents)	(5.5)	3.6
Dividends per share (cents) - declared	2.0	2.0
Weighted ordinary shares issued ('000)	420,000	420,000
Depreciation (R'000)	28,380	25,456
Interest expense (R'000)	30,365	32,474

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	2003	2002
Opening balance	383,933	402,221
Attributable earnings	(22,900)	15,312
Dividends paid	(8,400)	(33,600)
Closing balance	<u>352,633</u>	<u>383,933</u>

ABRIDGED GROUP CASH FLOW STATEMENT

	2003	2002
Cash and cash equivalents at the beginning of the year	175,610	267,228
Cash generated by operations	66,742	45,872
Net interest expense	(19,306)	(10,708)
Taxation refunded / (paid)	9,242	(2,348)
Dividends paid	(8,400)	(33,600)
Additions to property, plant and equipment	(24,529)	(50,117)
Deposit paid on aircraft	(16,696)	(30,900)
Cash utilised in financing activities	(14,181)	(9,817)
Cash and cash equivalents at the end of the year	<u>168,482</u>	<u>175,610</u>

HEADLINE EARNINGS

	2003	2002
Earnings attributable to ordinary shareholders	(22,900)	15,312
Add back Aircraft impairment	35,000	-
Add back Sun Air investment settlement	3,600	-
Add back Translation loss on aircraft deposits	11,604	-
Headline earnings attributable to ordinary shareholders	<u>27,304</u>	<u>15,312</u>

Transfer Secretaries
 Computershare Limited
 70 Marshall Street
 Johannesburg, 2002
 PO Box 61051, Marshalltown, 2107

Company Secretary
 D Borer
 1 Marignane Drive
 Bonaero Park, 1619
 PO Box 7015, Bonaero Park, 1622

Registered Office
 2nd Floor
 FHS House
 15 Girton Road
 Parktown, 2193