



Comair Limited

Annual Report 2003



Comair Limited

Annual Report 2003

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Piet van Hoven

Managing Director



Bert van der Linden

Service Delivery Director



Glenn Orsmond

Financial Director



Gidon Novick

Commercial Director: kulula.com brand



Erik Venter

Commercial Director: British Airways brand



Martin Louw

Flight Operations Director



BT Verteegh

Executive Manager: Technical



Eve Liebetrau

Executive Manager: Human Resources



Carl Scholtz

Executive Manager: Information Technology

Joint Chairman's and Managing Director's Report

Earnings Review

Comair did well to achieve 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 6% 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.

In view of the positive cash flow from operations the Directors have resolved to declare a dividend of 2.0 cents per share (prior year: 2.0 cents) to all shareholders.

Exceptional Items

In terms of Generally Accepted Accounting Practice (AC128) Comair has provided R35 million for impairment of aircraft assets relating to five aircraft in the Comair fleet that will be withdrawn from service and disposed of. A foreign currency R11.6 million translation loss was incurred relating to the currency write down of the USD4 million aircraft security deposits held with British Airways Plc. The R6.25 million contingent liability noted in last year's annual report relating to the Sun Air acquisition in 1998 has been settled in full at a cost of R3.6 million.

Market Environment

The total domestic market is estimated to have grown by 5% for the twelve months to June 2003 compared to the same period last year. The market growth has been largely attributed to increased international connecting traffic as well as market stimulation caused by wider availability of lower airfares.

Comair has however performed well, with the combined British Airways and kulula.com brands growing passengers by 9%, to achieve further market share growth.

Regional route growth was constrained by the continued turmoil in Zimbabwe, which negatively impacted air services to Harare and Victoria Falls.

Aircraft Fleet

The Company made further progress during the year towards achieving its goal of a modern standardised fleet. The third B737-400 was successfully introduced into service during the year.

Prior to year end Comair contracted with Qantas Airways to acquire three B737-300 aircraft at an in service capital cost of R65 million per aircraft for delivery in August, September and October 2003. The aircraft will be brought on balance sheet utilising finance leases.

Three older non standard Boeing 737-200 basic aircraft will be phased out during the year to maintain Comair's fleet at seventeen aircraft, comprising eleven 100 seater B737 advanced aircraft, three 120 seater B737-300 aircraft and three 160 seater B737-400 aircraft.

The Company is well placed to exceed noise abatement regulations expected to be introduced during 2004.

The more modern fleet will improve operating efficiencies and reduce Comair's exposure to currency and crude oil price fluctuations.



Joint Chairman's and Managing Director's Report

(Continued)

kulula.com Brand

kulula.com expanded further during the year with increased frequencies introduced on the Johannesburg - Cape Town and Johannesburg - Durban routes as well as the introduction of new services between Johannesburg and Port Elizabeth and between Durban and Cape Town.

kulula.com won the Airports Company awards for the best domestic airline at Johannesburg and Cape Town airports. The awards are given annually based on passenger surveys. kulula.com is currently the biggest on line retailer in South Africa and was awarded the Financial Mail Advertiser of the Year Award.

kulula.com's reputation for innovation was demonstrated by it becoming the first airline in the world to offer on-line reservation changes. Focus on operating costs will enable kulula.com to continue to offer competitive airfares.

British Airways Brand

Service excellence is, as always, the core focus of the British Airways brand. We continue to look at new and innovative ideas to make our customers' travel experience as enjoyable as possible, ensuring that they receive the highest quality service at all times.

An example of service initiatives is the Special Services Team. For our most valued customers, Gold and Silver Executive Club Members and Club passengers, this dedicated team is always on hand to assist where possible. This is just another step towards our philosophy of "Passion for Service" that British Airways employees promote.

We will continue to ensure that superior service remains the key differentiator and competitive advantage for the British Airways Brand.

Human Resources

Comair's people remain one of its most important assets and an area of strategic focus is the attraction, retention and development of the best employees. During the past financial year, focus was placed on leadership training and development at all levels in the organisation. Senior management was exposed to an executive development programme in partnership with a tertiary institution, while Junior management and supervisory staff underwent an in-house leadership development programme.

Flight Operations

Safety standards remain paramount and Comair again received very favourable audit ratings from British Airways Plc, KLM and the South African Civil Aviation Authority. Standardisation of the aircraft fleet has been achieved with a full Boeing 737 fleet, which will further enhance the airline's safety standards.

Comair's Boeing 737 flight simulator training facility has been expanded to provide training for various domestic and international airlines, thereby creating an additional revenue source.

Prospects

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

Direct operating cost savings are expected should the average Rand / US Dollar exchange rate and crude oil prices be better than those in the past financial year.

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

Our crew really do get around.

When it comes to covering Africa, both domestically and regionally, one airline is certainly flying high. British Airways covers Southern and Northern Africa and we always strive to do it with impeccable service and a friendly smile. So when people tell us that our crew really do get around, we actually take it as a compliment.

London and the world



THE SKY'S NO LONGER THE LIMIT!

Comair Limited acquires three B737-300 aircraft.

During August 2003, Comair Limited received the first of three Boeing 737-300 aircraft for the British Airways fleet to replace the airline's existing Boeing 737-200 basic aircraft. With the financial assistance of Investec Bank, all three aircraft, valued at R200 million, were acquired from Qantas Airways and will be completely integrated into the British Airways fleet by the end of October 2003.

The improved B737-300 offers more seats and better performance and fuel efficiency, thus assisting to reduce exposure to fuel price fluctuations. In addition to overall operating efficiencies and a much longer range than that of the existing fleet, the quietness of the aircraft engines means that the aircraft complies with noise abatement regulations.

Beyond simply improving range and saving on fuel, the new 116-seater aircraft also offers a multitude of operator advantages. Environmental benefits include reduced noise on takeoff and landing, decreased engine emissions in flight and reduced engine maintenance requirements. The aircraft also offer digital technology on the flight deck, thus providing concise flight information and reducing the crew's workload when landing the aircraft in bad weather.

The 33,4 metre long aircraft, with a tail height of 11,1 metres and wingspan of 28,9 metres also offers roomy interiors, large overhead stowage bins for carry-on baggage, leather seats throughout the cabin and a total useable cargo volume of 30,2m³ with access to the freight hold from the ground.



British Airways all female crew soars to new heights.

For the first time ever in history, British Airways flew with an all female crew out of South Africa and back on 21 May 2003.

Margaret Thornton-Smith - the captain in command of the historical flight - was truly honoured to be the first woman captain representing British Airways in their endeavour to take an all female crew into Africa.

The crew consisted of: Captain Margaret Thornton-Smith, First Officer Charlotte Greene, Cabin Controller Amanda Premanthan, and Cabin Crew Vanessa Mooi, Sharon van Heerden and Caryn Petty.



British Airways is a proud supporter of South African Sport!

Over the past few years, the British Airways brand has become associated with a number of South African sports teams. Currently, British Airways is an official sponsor of Kaizer Chiefs in the soccer world and proud carrier of the Springboks, Golden Lions, Natal Sharks, Western Province, Blue Bulls and Falcons rugby teams.

More recently, in June of this year, British Airways (Domestic) signed a contract to become the official naming sponsor of the Mighty Elephants Rugby Team for the next three years.

In terms of this sponsorship agreement, British Airways has exclusive rights to the naming of the professional team and all Eastern Province provincial teams for the next three years. In addition, British Airways receives advertising rights within the stadium, including billboards, ad-scrolls, tunnel branding as well as match programme advertising, amongst other opportunities.

Now who says Elephants can't fly?



Nando's earns its wings.

When you talk about everyone's favourite chicken grill, there's one name that always seems to be on people's lips – Nando's. And now that famous name can be found on board British Airways flights in Traveller on selected routes. Which means that in addition to the already impeccable cuisine in Traveller, British Airways passengers now have the option of Nando's grilled chicken strips, spicy rice and peri-peri sauce, along with a delicious strawberry cheesecake for dessert.

British Airways strives to provide passengers with a product that meets; and hopefully exceeds their expectations – and this addition to our already extensive menu certainly proves that British Airways more than caters for all tastes.

The craving has spoken and British Airways has answered!



British Airways gives its Executive Club a new look.

As of July 2003, British Airways launched a new look Executive Club frequent flyer programme. Based on customer feedback, the programme has been redesigned to be more streamlined and to provide additional benefits.

It is now much easier to reach Silver tier membership, with the threshold being posted at 600 points and not the previous 700 points. Members can also earn more Tier Points than ever before on short haul flights within Africa and on some European routes.

In addition, Silver members now receive world-wide lounge access, priority check-in, access to the domestic Special Services Team and a 25% BA Miles bonus on every mile flown, regardless of class of travel.

Other benefits that have been introduced include the opportunity for members to upgrade to the next cabin using their BA Miles. Household accounts allow family members to collect BA Miles individually and pool them towards redemption bookings.



Social Responsibility.

British Airways is entering its second year of assisting CIDA University to make quality, higher education programmes accessible to more South Africans. This involvement entails flying lecturers from around the country to Johannesburg, thereby ensuring that the students receive the highest level of education, from the country's leading experts. In addition, members of British Airways assist on an academic level as volunteer facilitators.

Being forced to abandon a family pet is a heart wrenching experience under any circumstances. For over three years, the Wet Nose Animal Centre has rescued pets that have sadly been left behind when families have left Zimbabwe. Daily British Airways flights out of Zimbabwe have been used to either reunite the beloved pets with their families, or to find new, loving homes for the animals.





wakey - wakey!

late nite flites

all R500 one way,

jo'burg-cape town, fridays & sundays at 10pm. you snooze, you lose.

kulula.com

kulula.com

After just two short years, kulula.com has made its mark by bringing affordable air travel to all - no wonder then that they have just carried their millionth superhero.



With a massive 42 % saving on air tickets, the fleet of Boeing 737-400's are zapping fans across the skies daily!



The route network includes six return flights a day between Jo'burg and Cape Town and four return flights a day between Jo'burg and Durbs. kulula.com has also recently expanded this network to include flights to PE and coastal flights between Cape Town and Durbs.



In April 2002, kulula.com launched a world first: on-line booking changes - which means that in just a few simple clicks, you can change your flight booking dates or times on line.

Getting around has never been easier. When flying with kulula.com, you can rent yourself a set of super wheels through our partnership with Khaya Car Hire. Rent a kulula.com car from just R165 a day, all in. Now you can get anywhere!

Five-Year Review

For the year ended 30 June 2003

	2003	2002	2001	2000	1999
	R'000	R'000	R'000	R'000	R'000
Group income statement					
Revenue	1,365,907	1,284,962	1,160,000	977,036	608,997
Operating expenses	1,353,976	1,273,104	1,086,157	825,229	510,114
Operating profit	11,931	11,858	73,843	151,807	98,883
Aircraft deposit translation loss	(11,604)	-	-	-	-
Aircraft impairment write-down	(35,000)	-	-	-	-
Sun Air investment settlement	(3,600)	-	-	-	-
Profit on disposal of aircraft	-	-	25,483	1,970	-
(Loss) / profit from operations	(38,273)	11,858	99,326	153,777	98,883
Net investment income / (expense)	987	(1,085)	8,706	12,863	34,743
(Loss) / Profit before taxation	(37,286)	10,773	108,032	166,640	133,626
Taxation	14,386	4,539	(15,070)	(46,735)	(40,059)
(Loss) / Profit for the year	(22,900)	15,312	92,962	119,905	93,567
Sun Air investment written off	-	-	-	-	(11,627)
Outside shareholders income	-	-	-	8	(8)
(Loss) / Earnings attributable to ordinary shareholders	(22,900)	15,312	92,962	119,913	81,932

Group balance sheet at 30 June

Assets					
Property, plant and equipment	295,452	334,304	309,989	186,600	185,733
Loan to share incentive trust	13,583	14,040	14,000	15,120	15,120
Unlisted investments	-	96,226	80,493	67,331	56,823
Current assets	408,642	344,894	372,881	383,834	264,574
	717,677	789,464	777,363	652,885	522,250

Equity and liabilities

Share capital and reserves	352,633	383,933	402,221	338,659	239,747
Outside shareholders' interest	-	-	-	-	507
Interest-bearing liabilities	21,331	171,460	181,237	135,490	133,261
Deferred taxation	8,017	26,629	31,168	28,284	20,158
Current liabilities	335,696	207,442	162,737	150,452	128,577
	717,677	789,464	777,363	652,885	522,250

Salient features

Operating margin	0.9%	0.9%	6.4%	15.5%	16.2%
Earnings margin	(1.7%)	1.2%	8.0%	12.3%	13.5%
Earnings per share (cents)	(5.5)	3.6	22.1	28.6	19.5
Headline earnings per share (cents)	6.5	3.6	22.1	28.6	22.3
Dividends per share (cents)	2.0	2.0	8.0	7.0	5.0
Weighted ordinary shares issued ('000)	420,000	420,000	420,000	420,000	420,000

Group Value Added Statement

For the year ended 30 June 2003

	2003	%	2002	%
	R'000		R'000	
Wealth created				
Group revenue	1,365,907	-	1,284,962	-
Cost of materials and services	1,164,464	-	1,126,126	-
Value added	201,443	-	158,836	-
Income from investments	30,685	-	31,389	-
Total value added	232,128	100%	190,225	100%
Wealth Distributed				
Employees				
Salaries,wages and related benefits	176,336	76%	146,722	77%
Providers of capital				
Interest on loans	29,698	13%	32,474	17%
Dividends to shareholders	-	-	8,400	4%
Government				
Taxation income	(14,386)	-6%	(4,539)	-2%
Re-investment in the group				
Depreciation including impairment of assets	63,380	17%	25,456	4%
Assessed loss	(22,900)	-	(18,288)	-
	232,128	100%	190,225	100%

Corporate Governance

Corporate Governance

Comair is committed to the principles of good corporate governance through the establishment of appropriate reporting and control structures within the company. The company strives to substantially comply in all material respects with the King Report's code of Corporate Practices and Conduct.

Financial Statements

The Directors are responsible for the preparation of the annual financial statements in a manner that fairly and accurately represents the state of affairs and the results of the company and group. The Directors are responsible for adopting sound accounting practices, for maintaining adequate accounting records, an effective system of internal controls and for the safeguarding of assets.

Audit Committee

The company has an Audit Committee, comprising four Non-Executive Directors, that meets periodically and operates in terms of formally approved guidelines including an assessment of the risk management policies of the Company. The Audit Committee also reviews the effectiveness of the Company's system of internal control as reported on by an internal audit function. The independent auditors' appointment is recommended by the Committee and considered annually by the shareholders.

The Audit Committee assesses the annual financial statements to consider compliance with generally accepted accounting standards.

Chairman: Pieter Welgemoed

Members: Rodney Sacks
David Hyde
Dawn Mokhobo

Remuneration Committee

The Remuneration Committee, chaired by a Non-Executive Director, reviews and approves the remuneration and terms of employment of Executive Directors and Executive Management.

Chairman: Rodney Sacks

Members: David Hyde
Meyer Kahn

Board of Directors

The Board of Directors meets regularly and monitors the performance of Executive Management through review of financial reports and provides strategic guidance for management. The roles of Chairman and Managing Director have been separated. The Group Secretary ensures that statutory and other procedures are followed and can only be removed from his duties by means of a Directors' resolution. The Board is constituted to ensure a fair balance between Executive and Non-Executive Directors.

Non-Executive Directors

Non-Executive Directors offer independent judgement of Executive Management and, apart from their fees and in some cases, shareholding, there are no extraneous factors that materially affect their judgement. Their fees are paid under a laid-down tariff that reflects their committee time and levels of responsibility.

Executive Directors

Executive Directors do not have service contracts. Performance is measured annually in terms of agreed key performance indicators.

Employment Equity

Comair is committed to equal opportunity employment and to achieving the goals of employment equity legislation and has incorporated the principle of employment equity into its strategic vision and business strategy.

Code of Ethics

A Code of Ethics has been implemented as part of the corporate governance of the Group. The code commits the Group to the highest standards of behaviour when dealing with all stakeholders.

Risk Management

The Board of Directors has approved the Company's risk management policy comprising financial risks, safety risks, information technology risks, environment risks and insurance risks. The risk management policy prescribes principles, areas of responsibility and corporate governance procedures.



Report of the Independent Auditors

To the members of Comair Limited

We have audited the annual financial statements and group annual financial statements of Comair Limited set out on pages 15 to 34 for the year ended 30 June 2003. These financial statements are the responsibility of the Company's Directors. Our responsibility is to report on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used and significant estimates made by management; and
- Evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit Opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Company and the Group at 30 June 2003, and the results of their operations and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act.



Fisher Hoffman PKF (Jhb) Inc.
Chartered Accountants (SA)
Registration number 1994/001166/21
Registered Accountants and Auditors

Johannesburg
1 September 2003

Statement of Responsibility by the Board of Directors

The Directors are responsible for the preparation, integrity and fair presentation of the financial statements and other financial information included in this report.

The financial statements, presented on pages 15 to 34, have been prepared in accordance with Generally Accepted Accounting Practice, and include amounts based on judgements and estimates made by management.

The going-concern basis has been adopted in preparing the financial statements. The Directors have no reason to believe that the Company or the Group will not be going concerns in the foreseeable future based on forecasts and available cash resources. The financial statements support the viability of the Company and the Group.

The financial statements have been audited by the independent accounting firm, Fisher Hoffman PKF (Jhb) Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board. The Directors believe that all representations made to the independent Auditors during the audit were valid and appropriate.

The financial statements which appear on pages 15 to 34 were approved by the Board of Directors on 1 September 2003 and signed on its behalf.



Managing Director
1 September 2003



Chairman
1 September 2003

Statement of the Company Secretary

I, Derek Henry Borer, being the Company Secretary of Comair Limited, certify that all returns required of a public company have, in respect of the year under review, been lodged with the Registrar of Companies and that all such returns are true, correct and up to date.



D H Borer
Company Secretary
2 September 2003

Report of the Directors

The Directors have pleasure in presenting their report, which forms part of the audited financial statements of the Company and the Group for the year ended 30 June 2003.

Nature of the business

Comair Ltd provides domestic and regional air services in the Southern Africa market trading under the premium British Airways brand and the low cost kulula.com brand. The airline operates a fleet of seventeen jet aircraft.

Financial Results

Full details of the financial results are set out on pages 15 to 34 of the Annual Financial Statements for the year ended 30 June 2003.

Dividends

The Directors of Comair have resolved to declare a dividend of 2.0 cents per share (prior year: 2.0 cents) to all 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.

Share Capital

There have been no changes in the authorised share capital, issued share capital or the share premium account during the year under review.

Subsidiaries

Details of the Company's sole subsidiary Commuter Handling Services (Pty) Limited are recorded in the notes to the annual financial statements. The subsidiary provides airport ramp handling services for Comair at cost.

Directors Interest in Share Capital

The Directors of the Company had the following direct and indirect interest in the issued share capital of the Company at 30 June 2003.

	Direct Beneficial	Indirect Beneficial	Total Shares	% of Total Shareholding
D. Novick	-	73 679 123	73 679 123	17,543
M.D. Moritz	-	73 679 123	73 679 123	17,543
P. van Hoven	3 049 097	6 155 550	9 204 647	2,192
P.R. Marx	43 800	-	43 800	0,010
N. Vlok	68 500	-	68 500	0,015
P.J. Welgemoed	104 200	-	104 200	0,025
Total	3 265 597	153 513 796	156 779 393	37,328

There have been no changes in the Director's interest in share capital from June 2003 to the date of posting of this annual report.

Report of the Directors

(Continued)

Board of Directors

The names, ages, qualifications, occupations, nationality, business address and directorship of other companies of the Directors of Comair Limited who served during the financial year under review, as well as those Directors appointed after the financial year end, are set out below.

Name, Age, Qualification	Nationality	Business Address	Occupation	Directorship of Other Companies (Date Appointed / Date Resigned)
Donald Novick Age: 65 C.A.(S.A.)	South African	1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619	Non-Executive Chairman	Comair General Aviation Holdings (Pty) Ltd (11/03/1996) Diamar Investments (Pty) Ltd (31/08/1999) Telmore Investments (Pty)Ltd (31/08/1998) Cornhaven Investments (Pty) Ltd. (31/08/1998)
Martin Darryl Moritz Age: 58 (B.Com; LLB)	South African	1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619	Non-Executive Deputy Chairman	Comair General Aviation Holdings (Pty) Ltd (31/08/1996) Telmore Investments (Pty) Ltd (31/08/1998) Diamar Investments (Pty) Ltd (31/08/1998) Cornhaven Investments (Pty) Ltd (31/08/1998)
Pieter van Hoven Age: 59	South African	1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619	Managing Director	Comair General Aviation Holdings (Pty) Ltd (11/03/1996) South African-Netherlands Chamber of Commerce (18/10/1995) Cornhaven Investments (Pty) Ltd (31/08/1998)

Report of the Directors

(Continued)

Name, Age, Qualification	Nationality	Business Address	Occupation	Directorship of Other Companies (Date Appointed / Date Resigned)
Bertrandus Johannes van der Linden Age: 55	Netherlands	1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619	Service Delivery Director	Commuter Handling Services (Pty) Ltd (09/11/1993)
Peter Ruben Marx Age: 65	South African	1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619	Director Flight Operations (Resigned 11/12/2002)	Not Applicable
Nicolaas Vlok Age: 55 B.Sc.(Eng.) (Elec); MBL	South African	1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619	Director Technical and IM (Resigned 28/02/2003)	Not Applicable
Glenn Wayne Orsmond Age: 41 B.Com; C.A.(S.A.)	South African	1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619	Financial Director (Resigned 20/08/2003)	Commuter Handling Services (Pty) Ltd (14/02/2002) (Resigned 20/08/2003)
Rodney Cyril Sacks Age: 53 H.Dip.Law, H.Dip.Tax	South African	Suite 101, 1010 Railroad Street, Corona, California, U.S.A	Non-Executive Director	Comair General Aviation Holdings (Pty) Ltd (01/04/1996) Cybernet Systems (Pty) Ltd (01/08/1988)
Dr. Pieter Johannes Welgemoed Age: 60 B.Com (Honours); M.Com; D.Com	South African	Not Applicable	Independent Non-Executive Director	Rhomberg Brasler Holdings Ltd (12/12/1996) Koningsrivier Boerdery (Pty) Ltd (01/02/1985)

Report of the Directors

(Continued)

Name, Age, Qualification	Nationality	Business Address	Occupation	Directorship of Other Companies (Date Appointed / Date Resigned)
David Hyde Age: 66 MSC (Eng); C.Eng; FRAes; DIC; ACGI	British	British Airways plc Waterside, Harmondworth England, UB7 0GB	Non-Executive Director	Airways Aero Association Ltd (14/02/1990) GB Airways (01/05/1996) Inter-Caribbean Aeronautical Comms. Ltd. (10/06/20000) Speedwing Insurance Company Limited (01/03/1999)
Jacob Meyer Kahn Age: 64 B.A. (Law); MBA (U.P.); D.Com (hc); SOE	South African	South African Breweries plc, 1st Floor, No.2 Jan Smuts Avenue Braamfontein, Johannesburg 2001	Independent Non-Executive Director	The South African Breweries Ltd (19/04/1999) SAB Miller plc (08/02/1999) Cycad Financial Holdings Ltd (01/03/2000) Plate Glass and Shatteprufe Industries Ltd. (01/01/2002) Tsogo Sun Holdings (Pty) Ltd (14/07/2003)
Dawn Nowceba Merle Mokhobo Age: 54 B.A. Social Science	South African	MBM Change Agents (Pty) Ltd., 1st Floor, Bradenham Hall North Mellis Office Park Autumn Street Rivonia, 2128	Independent Non-Executive Director (Resigned 11/07/2003)	Sanlam Limited Engen Limited The Fedex Group Nozala Investments Random House S.A. (Pty) Ltd Sanlam Life Insurance Ltd

Report of the Directors

(Continued)

Directors appointed after 30 June 2003 Financial Year end

Name, Age, Qualification	Nationality	Business Address	Occupation	Directorship of Other Companies (Date Appointed / Date Resigned)
Gidon Saul Novick Age: 33 B.Com; C.A.(S.A.); MBA	South African	1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619	Commercial Director: Kulula (Appointed 01/07/2003)	Not Applicable
Martin Nicolaas Louw Age: 48 B.Mil.	South African	1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619	Flight Operations Director (Appointed 01/07/2003)	Not Applicable
Erik Rudolf Venter Age: 34 B.Com; C.A.(S.A.)	South African	1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619	Commercial Director British Airways Brand (Appointed 01/07/2003) Financial Director (Appointed 20/08/2003)	Not Applicable
Derek Henry Borer Age: 41 B.Com LLB	South African	1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619	Alternate Director to Bertrandus Johannes van der Linden	Aviation Co-ordination Services (Pty) Ltd (19/10/1999)

Report of the Directors

(Continued)

Share Incentive Scheme

Executive Directors participate in a share incentive scheme with the following allocations to July 2002 and as at 30 June 2003.

	Allocated to 1 July 2002		Allocated as at 30 June 2003	
	Number	Average Price	Number	Average Price
P. van Hoven	1 092 498	88c	1 092 498	88c
B.J. van der Linden	697 054	88c	697 054	88c
P.R. Marx	589 815	88c	589 815	88c
N. Vlok	382 039	88c	-	-
G.W. Orsmond	388 741	88c	388 741	88c
Total	3 150 147		2 768 108	

Directors' Remuneration

	For services as Directors and related committee work	Package (1) R'000	Performance R'000	Pension related (2) R'000	Other (4) and Medical (3) R'000	TOTAL 2003 R'000	TOTAL 2002 R'000
Executives							
P van Hoven	-	1 076	150	167	-	1 393	1 310
BJ van der Linden	-	774	176	128	-	1 078	1 010
PR Marx	-	460	261	16	216	953	856
N Vlok	-	509	210	70	868	1 657	918
GW Orsmond	-	709	173	111	-	993	922
	-	3 528	970	492	1 084	6 074	5 016
Non-Executive							
PJ Welgemoed	75	-	-	-	-	75	49
JM Kahn	65	-	-	-	-	65	40
DNM Mokhobo	40	-	-	-	-	40	40
RC Sacks	65	-	-	-	-	65	-
	245	-	-	-	-	245	129
Total	245	3 528	970	492	1 084	6 319	5 145

Notes:

- (1) "Package" includes the following regular payments made in respect of the financial year while actively employed: cash salary, entertainment and vehicle allowances, and the deemed tax value of company-owned vehicles provided as perquisites.
- (2) "Performance related" refers to incentive rewards in respect of the previous financial year and paid in August of every year.
- (3) "Pension and Medical" includes the regular payments made for pension fund, medical aid contributions and risk benefits.
- (4) "Other" refers to termination payments.
- (5) "The Remuneration" receivable by Directors of Comair Limited will not vary as a result of any proposed issue for cash or repurchase of shares.

Balance Sheet

at 30 June 2003

	Note	Group		Company	
		2003 R'000	2002 R'000	2003 R'000	2002 R'000
ASSETS					
Non current assets					
Property, plant and equipment	1	295,452	334,304	287,221	327,679
Loan to share incentive trust	2	13,583	14,040	13,583	14,040
Investment in subsidiary	3	-	-	7,816	5,764
Unlisted investments	4	-	96,226	-	96,226
Current assets					
Inventory	5	12,963	14,734	12,963	14,734
Trade and other receivables		64,544	111,947	64,246	111,959
Aircraft deposits	6	47,596	30,900	47,596	30,900
Unlisted Investments	4	115,035	-	115,035	-
Taxation		22	11,703	22	11,703
Cash and cash equivalents		168,482	175,610	166,436	174,093
		<u>717,677</u>	<u>789,464</u>	<u>714,918</u>	<u>787,098</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	7	4,200	4,200	4,200	4,200
Share Premium		8,456	8,456	8,456	8,456
Accumulated profits		339,977	371,277	339,977	371,263
Non-current liabilities					
Interest-bearing liabilities	8	21,331	171,460	21,331	171,460
Deferred taxation	9	8,017	26,629	8,017	26,629
Current liabilities					
Trade payables		181,392	190,171	179,874	187,819
Provisions	10	18,814	17,271	17,573	17,271
Interest-bearing liabilities	8	135,490	-	135,490	-
		<u>717,677</u>	<u>789,464</u>	<u>714,918</u>	<u>787,098</u>

Income Statement

for the year ended 30 June 2003

	Note	Group		Company	
		2003 R'000	2002 R'000	2003 R'000	2002 R'000
Revenue		1,365,907	1,284,962	1,366,001	1,283,987
Operating Expenses	11	(1,353,976)	(1,273,104)	(1,353,983)	(1,272,437)
Operating profit before exceptional items		11,931	11,858	12,018	11,550
Aircraft deposit translation loss		(11,604)	-	(11,604)	-
Aircraft impairment write-down		(35,000)	-	(35,000)	-
Sun Air investment settlement	12	(3,600)	-	(3,600)	-
(Loss) / profit from operations		(38,273)	11,858	(38,186)	11,550
Net investment income / (expense)	13	987	(1,085)	914	(775)
(Loss) / profit before taxation		(37,286)	10,773	(37,272)	10,775
Taxation	14	14,386	4,539	14,386	4,539
(Loss) / Profit for the year		(22,900)	15,312	(22,886)	15,314
Headline earnings per share (cents)	15	6.5	3.6		
Earnings per share (cents)	15	(5.5)	3.6		

Statement of Changes in Equity

for the year ended 30 June 2003

	Share Capital R'000	Share Premium R'000	Accumulated Profits R'000	Total R'000
GROUP				
Balance at 1 July 2001	4,200	8,456	389,565	402,221
Profit for the year	-	-	15,312	15,312
Dividend paid	-	-	(33,600)	(33,600)
Balance at 30 June 2002	4,200	8,456	371,277	383,933
Loss for the year	-	-	(22,900)	(22,900)
Dividend paid	-	-	(8,400)	(8,400)
Balance at 30 June 2003	4,200	8,456	339,977	352,633
COMPANY				
Balance at 1 July 2001	4,200	8,456	389,549	402,205
Profit for the year	-	-	15,314	15,314
Dividend paid	-	-	(33,600)	(33,600)
Balance at 30 June 2002	4,200	8,456	371,263	383,919
Loss for the year	-	-	(22,886)	(22,886)
Dividend paid	-	-	(8,400)	(8,400)
Balance at 30 June 2003	4,200	8,456	339,977	352,633

Cash Flow Statement

for the year ended 30 June 2003

	Note	Group		Company	
		2003 R'000	2002 R'000	2003 R'000	2002 R'000
Cash from operating activities		48,278	(784)	46,837	(3,239)
Cash receipts from customers		1,413,309	1,254,812	1,413,713	1,253,820
Cash paid to suppliers		(1,346,567)	(1,208,940)	(1,348,337)	(1,210,714)
Cash generated by operations	16	66,742	45,872	65,376	43,106
Net investment expense	17	(19,306)	(10,708)	(19,381)	(10,397)
Taxation refunded	18	9,242	(2,348)	9,242	(2,348)
Cash available from operating activities		56,678	32,816	55,237	30,361
Dividends paid		(8,400)	(33,600)	(8,400)	(33,600)
Cash utilised in investing activities		(41,225)	(81,017)	(40,313)	(79,835)
Addition to property, plant and equipment		(24,529)	(50,117)	(21,566)	(48,967)
Proceeds on disposal of property, plant and equipment		-	-	-	4,549
Aircraft deposits paid		(16,696)	(30,900)	(16,696)	(30,900)
Investment in subsidiary		-	-	(2,051)	(4,517)
Cash utilised by financing activities		(14,181)	(9,817)	(14,181)	(9,817)
Decrease / (increase) in loan to share incentive trust		457	(40)	457	(40)
Decrease in interest bearing liabilities		(14,638)	(9,777)	(14,638)	(9,777)
Net decrease in cash and cash equivalents		(7,128)	(91,618)	(7,657)	(92,891)
Cash and cash equivalents at the beginning of the year		175,610	267,228	174,093	266,984
Cash and cash equivalents at the end of the year		168,482	175,610	166,436	174,093

Accounting Policies

Accounting Policies

The financial statements are prepared in conformance with South African Statements of Generally Accepted Accounting Practice on the historical cost basis, except where otherwise stated. The principle policies are set out below and are consistent in all material respects with those applied in the previous year.

Basis of Consolidation

The Group annual financial statements present the consolidated financial position and changes therein, operating results and cash flow information of the company and its subsidiary. The subsidiary, Commuter Handling Services (Pty) Ltd of which the Company has a 100% shareholding, has been consolidated. All material intragroup transactions and balances are eliminated on consolidation.

Revenue

Revenue comprises all airline-related revenue earned and is recognised when the transportation service is provided.

Foreign Currency

Foreign currency transactions are recorded at the exchange rate ruling on the transaction dates. Assets and liabilities designated in foreign currencies are translated at rates of exchange ruling at the balance sheet date.

Deferred Taxation

Deferred taxation is provided on the comprehensive basis and is calculated at current rates using the balance sheet liability method. The deferred taxation liability represents the amount of income tax and capital gains tax payable in future periods in respect of items of income and expenditure and capital gains which are recognised for income tax purposes in periods different from those in which they are brought to account in the financial statements, allowing for the effect of tax losses carried forward. A deferred tax asset is recognised when it is probable that the related tax benefit will be realised.

Property, Plant and Equipment

Freehold property, aircraft and related equipment,

vehicles, furniture, computers and other equipment are depreciated on a systematic basis, which is estimated to amortise the assets to their anticipated residual values over their planned useful lives.

Property, plant and equipment are stated at cost less accumulated depreciation. The carrying value of property, plant and equipment is assessed on an annual basis and only written down if there is a permanent impairment in its value.

Aircraft modifications are capitalised only to the extent that they materially improve the value of the aircraft asset. Maintenance and repairs which neither materially add to the value of assets or appreciably prolong their useful lives are charged against income.

Depreciation Rates

Freehold property	2%
Aircraft and related equipment	4%
Motor vehicles	20%
Furniture and equipment	10%
Computer equipment	20%

Leased Assets

Leases involving plant and equipment, whereby the lessor provides finance to the Group with the asset as security and where the Group assumes substantially all the benefits and risks of ownership, are classified as finance leases. Assets acquired in terms of finance leases are capitalised and depreciated over the useful life of the asset. The capital element of future obligations under the leases is included as a liability in the balance sheet. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the instalments is charged against income over the lease period.

Leases of assets to the Group under which all the risks and benefits of ownership are effectively retained by the lessor, are classified as operating leases. Payments made under operating leases are charged against income on a straight-line basis over the period of the lease.

Investments

Investments (which are not subsidiaries or associates) are initially measured at cost including transaction costs. They are subsequently stated at fair value. Fair value of unlisted investments is determined by the Directors.

Unrealised changes in the fair values of investments are taken directly to equity.

Inventory

Inventory is stated at the lower of cost and estimated net realisable value. Cost is determined on the first-in first-out basis.

Financial Instruments

In terms of the Company's risk management policy, the Company utilises forward exchange contracts to manage exposure to foreign currency fluctuations. Exposure to crude oil price fluctuations is managed by utilising fuel hedging instruments including swaps, options and zero cost collars.

Financial instruments are initially measured at cost, which includes transaction costs. Trade and other receivables are stated at cost less provision for doubtful debts. Cash and cash equivalents are recognised at fair value. Interest-bearing borrowings are recognised at cost.

Retirement and Medical Funds

Current contributions to the Group's defined contribution retirement funds are based on current service and current salary and are recognised in the results for the year. Post-retirement medical aid contributions are charged against income in the year they become payable.

Notes to the Annual Financial Statements

for the year ended 30 June 2003

	Group		Company	
	2003	2002	2003	2002
	R'000	R'000	R'000	R'000
1. PROPERTY, PLANT AND EQUIPMENT				
Property and buildings				
Cost	9,910	8,627	9,910	8,542
Accumulated depreciation	(1,218)	(838)	(1,218)	(759)
Book value	<u>8,692</u>	<u>7,789</u>	<u>8,692</u>	<u>7,783</u>
Aircraft and related equipment				
Cost	395,532	377,272	385,096	369,750
Accumulated depreciation	(119,404)	(59,842)	(116,881)	(58,349)
Book value	<u>276,128</u>	<u>317,430</u>	<u>268,215</u>	<u>311,401</u>
Vehicles and equipment				
Cost	28,896	24,390	23,843	19,353
Accumulated depreciation	(18,264)	(15,305)	(13,529)	(10,858)
Book value	<u>10,632</u>	<u>9,085</u>	<u>10,314</u>	<u>8,495</u>
Total property, plant and equipment	<u>295,452</u>	<u>334,304</u>	<u>287,221</u>	<u>327,679</u>

PROPERTY, PLANT AND EQUIPMENT - Reconciliation of carrying value

Property and buildings				
Carrying value at the beginning of the year	7,789	5,975	7,783	5,913
Additions	1,366	1,968	1,368	1,968
Depreciation	(463)	(154)	(459)	(98)
Carrying value at the end of the year	<u>8,692</u>	<u>7,789</u>	<u>8,692</u>	<u>7,783</u>
Aircraft and related equipment				
Carrying value at the beginning of the year	317,430	291,079	311,401	290,145
Additions	18,445	48,149	15,345	42,834
Disposals	(181)	(94)	-	(434)
Depreciation	(24,566)	(21,704)	(23,531)	(21,144)
Impairment	(35,000)	-	(35,000)	-
Carrying value at the end of the year	<u>276,128</u>	<u>317,430</u>	<u>268,215</u>	<u>311,401</u>

Notes to the Annual Financial Statements

for the year ended 30 June 2003 (Continued)

	Group		Company	
	2003	2002	2003	2002
	R'000	R'000	R'000	R'000
Vehicles and equipment				
Carrying value at the beginning of the year	9,085	12,935	8,495	11,903
Additions	4,898	-	4,854	4,166
Disposals	-	(252)	-	(4,461)
Depreciation	(3,351)	(3,598)	(3,035)	(3,113)
Carrying value at the end of the year	<u>10,632</u>	<u>9,085</u>	<u>10,314</u>	<u>8,495</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>295,452</u>	<u>334,304</u>	<u>287,221</u>	<u>327,679</u>

Property and buildings owned consist of Erf 1092, 1096 Bonaero Park extension 2 and Erf 931, Bonaero Park extension1.

2. LOAN TO COMAIR SHARE INCENTIVE TRUST

This loan relates to the Comair Share Incentive Trust acquisition of 21 million ordinary shares at 72 cents per share on 30 June 1998.

The term of the loan is unspecified and bears no interest.

	<u>13,583</u>	<u>14,040</u>	<u>13,583</u>	<u>14,040</u>
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3. INVESTMENT IN SUBSIDIARY

Subsidiary - Commuter Handling Services (Pty) Ltd

102 shares at cost (100 % shareholding)

Loan

Provision for dimunition

Interest is charged at 15% per annum and there are no fixed repayment terms.

	1	1
	9,055	5,763
	(1,240)	-
	<u>7,816</u>	<u>5,764</u>

Notes to the Annual Financial Statements

for the year ended 30 June 2003 (Continued)

	Group		Company	
	2003	2002	2003	2002
	R'000	R'000	R'000	R'000
4. UNLISTED INVESTMENTS				
Amber (Pty) Ltd preference shares				
5 549 shares at R10 000 per share at cost	55,490	55,490	55,490	55,490
Preference shares are due for redemption on 31 May 2004				
Add dividend accrued	59,545	40,736	59,545	40,736
	<u>115,035</u>	<u>96,226</u>	<u>115,035</u>	<u>96,226</u>
Current portion	(115,035)	-	(115,035)	-
Total book value	<u>-</u>	<u>96,226</u>	<u>-</u>	<u>96,226</u>
Total valuation of unlisted investments	<u>115,035</u>	<u>101,990</u>	<u>115,035</u>	<u>101,990</u>
5. INVENTORY				
Aircraft spares	8,781	11,308	8,781	11,308
Catering equipment and consumables	4,182	3,426	4,182	3,426
	<u>12,963</u>	<u>14,734</u>	<u>12,963</u>	<u>14,734</u>
6. AIRCRAFT DEPOSITS				
Opening balance	30,900	-	30,900	-
Deposits made this year	28,300	30,900	28,300	30,900
Foreign exchange translation adjustment	(11,604)	-	(11,604)	-
	<u>47,596</u>	<u>30,900</u>	<u>47,596</u>	<u>30,900</u>
7. SHARE CAPITAL				
Authorised:				
1 000 000 000 ordinary shares of 1 cent each	10,000	10,000	10,000	10,000
1 000 000 000 "N" ordinary shares of 0.01cent each	100	100	100	100
1 000 000 preference shares of 1 cent each	10	10	10	10
	<u>10,110</u>	<u>10,110</u>	<u>10,110</u>	<u>10,110</u>
Issued:				
420 000 000 ordinary shares of 1 cent each	4,200	4,200	4,200	4,200
	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>

Notes to the Annual Financial Statements

for the year ended 30 June 2003 (Continued)

	Group		Company	
	2003	2002	2003	2002
	R'000	R'000	R'000	R'000
8. INTEREST BEARING LIABILITIES				
Laroc Aviation Limited Aircraft finance lease agreement which is payable in equal quarterly payments of R4 665 959. The last payment is due on 31 August 2004. Interest is calculated at 13% per annum. An aircraft mortgage serves as collateral covering security (Net book value R55 million).	21,331	35,970	21,331	35,970
African Merchant Bank (AMB) loan Aircraft financing and working capital loan from AMB of which interest, charged at 19% per annum, is repayable in six monthly instalments of R13 720 640. The capital balance is repayable in full on 31 May 2004. Two aircraft mortgages serve as collateral covering security (Net book value R77 million).	135,490	135,490	135,490	135,490
Sub-total	156,821	171,460	156,821	171,460
Less short-term portion	(135,490)	-	(135,490)	-
	<u>21,331</u>	<u>171,460</u>	<u>21,331</u>	<u>171,460</u>

9. DEFERRED TAXATION

On timing differences arising from:

Property, Plant and Equipment	(53,355)	(55,513)	(53,355)	(55,513)
Provisions	12,929	7,456	12,929	7,456
Prepayments	(2,879)	(1,762)	(2,879)	(1,762)
Losses	35,288	23,190	35,288	23,190
	<u>(8,017)</u>	<u>(26,629)</u>	<u>(8,017)</u>	<u>(26,629)</u>

10. PROVISIONS

Leave pay	11,963	9,691	10,722	9,691
Bonuses	6,851	7,580	6,851	7,580
	<u>18,814</u>	<u>17,271</u>	<u>17,573</u>	<u>17,271</u>

Leave pay represents leave entitlements due to employees and subcontractors for past services rendered. Bonuses are payable annually to employees and management in accordance with the employee contracts. Bonuses for the employees of the subsidiary are paid annually on the anniversary of their employee contract and are expensed when paid.

Notes to the Annual Financial Statements

for the year ended 30 June 2003 (Continued)

	Group		Company	
	2003	2002	2003	2002
	R'000	R'000	R'000	R'000
11. OPERATING EXPENSES				
Operating expenses are stated after incorporating the following items				
Audit fees	217	215	217	215
Depreciation - aircraft assets	24,566	21,704	23,531	21,144
Depreciation - other fixed assets	3,814	3,752	3,494	3,211
Impairment of Aircraft assets	35,000	-	35,000	-
Directors emoluments	6,319	5,145	6,319	5,145
- for services as Directors	245	129	245	129
- for managerial and other services	5,581	4,512	5,581	4,512
- retirement and medical benefits	493	504	493	504
Rentals under operating leases	133,762	70,994	132,449	69,910
- property rentals	5,115	6,286	4,088	5,402
- aircraft rentals	126,680	62,871	126,680	62,871
- equipment and vehicle rentals	1,967	1,837	1,681	1,637
Staff costs	176,337	146,722	159,071	131,637
Loss on disposal of property, plant and equipment	-	346	-	346

At the end of the financial year the Group had 1438 (2002:1326) employees

12. SUN AIR INVESTMENT SETTLEMENT

The Company has come to an arrangement with the Government of South Africa to settle R3,6 million of the outstanding purchase price for Sun Air (Pty) Ltd.

	3,600	-	3,600	-
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Notes to the Annual Financial Statements

for the year ended 30 June 2003 (Continued)

	Group		Company	
	2003	2002	2003	2002
	R'000	R'000	R'000	R'000
13. NET INVESTMENT INCOME / (EXPENSE)				
Interest expense	(29,698)	(32,474)	(29,664)	(32,418)
Interest income	11,876	6,969	11,769	7,223
Preference dividend income	18,809	24,420	18,809	24,420
	<u>987</u>	<u>(1,085)</u>	<u>914</u>	<u>(775)</u>
14. TAXATION				
Normal tax - current	-	-	-	-
Normal tax - prior year	(2,792)	-	(2,792)	-
Deferred tax - current	(14,386)	(4,539)	(14,386)	(4,539)
Deferred tax - prior year	3,196	-	3,196	-
STC - prior year overprovision	(404)	-	(404)	-
	<u>(14,386)</u>	<u>(4,539)</u>	<u>(14,386)</u>	<u>(4,539)</u>
Reconciliation of taxation rate	%	%	%	%
South African normal tax rate	(30.0)	30.0	(30.0)	30.0
<i>Taxation effect of:</i>				
Exempt income	(15.1)	(74.0)	(15.1)	(74.0)
Disallowable expenditure	-	2.0	-	2.0
Prior year adjustments	6.5	-	6.5	-
	<u>(38.6)</u>	<u>(42.0)</u>	<u>(38.6)</u>	<u>(42.0)</u>
15. HEADLINE EARNINGS				
Earnings attributable to ordinary shareholders	(22,900)	15,312	(22,887)	15,314
Add back Aircraft impairment write down	35,000	-	35,000	-
Add back Sun Air Investment Settlement	3,600	-	3,600	-
Add back Aircraft deposits translation loss	11,604	-	11,604	-
Headline earnings attributable to ordinary shareholders	<u>27,304</u>	<u>15,312</u>	<u>27,317</u>	<u>15,314</u>
Weighted ordinary shares in issue	420,000	420,000		
Earnings per share (cents)	(5.5)	3.6		
Headline earnings per share (cents)	6.5	3.6		

Notes to the Annual Financial Statements

for the year ended 30 June 2003 (Continued)

	Group		Company	
	2003	2002	2003	2002
	R'000	R'000	R'000	R'000
16. CASH GENERATED BY OPERATIONS				
(Loss) / Profit from operations	(38,273)	11,858	(38,186)	11,550
Depreciation and other non cash items	28,380	25,456	27,025	24,355
Aircraft impairment write-down	35,000	-	35,000	-
Loss / (Profit) on disposal of property, plant and equipment	-	346	-	346
Cash from operations before working capital changes	25,107	37,660	23,839	36,251
Decrease (increase) in working capital	41,635	8,212	41,537	6,856
- Inventory	1,772	(6,343)	1,772	(6,343)
- Accounts receivable	48,885	(30,150)	49,196	(30,168)
- Accounts payable	(9,022)	44,705	(9,431)	43,367
	66,742	45,872	65,376	43,107
17. NET INVESTMENT INCOME (PAID) / RECEIVED				
Interest paid	(31,182)	(32,475)	(31,150)	(32,418)
Interest received	11,876	6,637	11,769	6,892
Preference dividend received	-	15,129	-	15,129
	(19,306)	(10,708)	(19,381)	(10,397)
18. TAXATION REFUNDED / (PAID)				
Prepaid at the beginning of year	11,703	9,355	11,703	9,355
Prior year adjustment	(2,439)	-	(2,439)	-
Prepaid at end of year	(22)	(11,703)	(22)	(11,703)
Refunded / (paid)	9,242	(2,348)	9,242	(2,348)
19. RETIREMENT BENEFITS				
Post-retirement benefits				
<p>The Group contributed to several retirement funds, all of which are governed by the Pension Funds Act, 1956. The funds cover the majority of its employees and are all defined contribution schemes. Contributions paid by Group companies are charged against income as incurred.</p> <p>An actuarial valuation was performed on the Comair Pension Fund in July 2002, for the year ended June 2002. The fund was reported to be actuarially sound.</p>				
Post-retirement medical aid benefits				
<p>The Group companies subsidise the post-retirement medical aid contributions of certain pensioners. These subsidies, which are not significant, are charged to income in the year they become payable.</p>				

Notes to the Annual Financial Statements

for the year ended 30 June 2003 (Continued)

	Group		Company	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
20. OPERATING LEASE COMMITMENTS				
Commitments for year one				
Property and buildings	4,103	3,744	4,103	3,744
Aircraft	134,711	138,324	134,711	138,324
	138,814	142,068	138,814	142,068
Commitments for year two to five				
Property and buildings	21,450	25,598	21,450	25,598
Aircraft	439,146	555,559	439,146	555,559
	460,596	581,157	460,596	581,157
Commitments after year five				
Property and buildings	21,559	21,582	21,559	21,582
Aircraft	189,864	286,723	189,864	286,723
	211,423	308,305	211,423	308,305
Total operating lease commitments	810,833	1,031,530	810,833	1,031,530

21. CASH ENCUMBERED

The Company has pledged cash investments totalling R30 million (2002 - R20 million) in respect of aircraft lease obligations.

22. BORROWING POWERS

There are no restrictions on the Group's borrowing power.

23. CONTINGENT LIABILITY

Comair contracted with Qantas Airways on 5 June 2003 to acquire three Boeing 737-300 aircraft for delivery in August, September and October 2003. The aircraft in-service capital cost will be R65 million per aircraft. Financing for the aircraft has been arranged by Investec Bank. The aircraft will be financed on-balance sheet with finance leases.

24. FINANCIAL RISK MANAGEMENT

Interest rate risk

The company is exposed to interest rate risk as it borrows and places funds. This risk is managed by placing funds on short term deposit.

Credit risk

Credit risk relates to potential exposure on bank and call deposits and loans and trade receivables.

At the balance sheet date, the company did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources and unutilised borrowing facilities are maintained.

25. SAFAIR COMMERCIAL AGREEMENT

The company has a commercial agreement with Safair whereby it shares equally in the profits or losses on five MD80 aircraft that are owned by Safair and leased to third parties.

Notice of Annual General Meeting

This document is important and requires your immediate attention.

Comair Limited

Registration number 1967/006783/06

Incorporated in the Republic of South Africa
("Comair" or "the Company")

ISIN Code: ZAE000029823 Share Code: COM

Notice to Shareholders for the year ended 30 June 2003

If you are in any doubt as to what action you should take arising from the following resolutions, please consult your stockbroker, banker, attorney, accountant or other professional adviser immediately.

Notice is hereby given that the Annual General Meeting of shareholders of Comair Limited ("Comair" or "the Company") 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 for the following business:

1. To consider and adopt the Annual Financial Statements of the Company for the year ended 30 June 2003 together with the reports of the directors and auditors contained therein.
2. That the Directors' remuneration policy as set out in the remuneration report contained in the reports and accounts for the year ended 30 June 2003 be and is hereby approved.
3. The re-election of retiring Directors (referred to in 4.1 and 4.2) by means of a single resolution.

A brief curriculum vitae in respect of each Director referred to in 4.1 and 4.2 appears on page [39] of this annual report.

4.1 To re-elect the following Directors of the Company:

- 4.1.1 M.D. Moritz
- 4.1.2 J.M. Kahn

who retire by rotation at the Annual General Meeting, but, being eligible, offer themselves for re-election.

4.2 To re-elect the following Directors of the Company:

- 4.2.1 G.S. Novick
- 4.2.2 M.N. Louw
- 4.2.3 E.R. Venter

who were appointed as Directors of the Company on 1 July 2003 and who retire at the Annual General Meeting, but, being eligible, offer themselves for re-election.

5. To authorise the Directors to re-appoint Fisher Hoffman PKF (JHB) Inc. as the independent auditors of the Company for the ensuing year and to determine the remuneration of the auditors.

As special business, to consider and, if deemed fit, pass with or without modification, those resolutions numbered 6, 7, 8 and 10 as Ordinary Resolutions and number 9 as a Special Resolution.

Ordinary Resolutions

Control of authorised but unissued shares

6. "RESOLVED THAT the authorised but unissued shares in the capital of the Company be and are hereby placed under the control and authority of the Directors of the Company and that the Directors of the Company be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as the directors of the Company may from time to time and in their discretion deem fit, subject to the provisions of the Companies Act (Act 61 of 1973) as amended ("the Act"), the Articles of Association of the Company and the Listings Requirements of the JSE Securities Exchange South Africa ("JSE"), when applicable."

Approval to issue shares for cash

7. "RESOLVED THAT the Directors of the Company be and they are hereby authorised by way of a general authority, to issue all or any of the authorised but unissued shares in the capital of the Company for cash, as and when they in their discretion deem fit, subject to the Act, the Articles of Association of the

Notice of Annual General Meeting

(Continued)

Company, the Listings Requirements of the JSE, when applicable, and the following limitations, namely that -

- 7.1 the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- 7.2 any such issue will only be made to "public shareholders" as defined in the Listings Requirements of the JSE and not related parties;
- 7.3 the number of shares issued for cash shall not in the aggregate in any one financial year exceed 15% (fifteen per cent) of the Company's issued share capital of ordinary shares. The number of ordinary shares which may be issued shall be based on the number of ordinary shares in issue at the date of such application less any ordinary shares issued during the current financial year, provided that any ordinary shares to be issued pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to date of application) may be included as though they were shares in issue at the date of application;
- 7.4 this authority is valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given;
- 7.5 a paid press announcement giving full details, including the impact on the net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five per cent) or more of the number of shares in issue prior to the issue;
- 7.6 in determining the price at which an issue of shares may be made in terms of this authority post the listing of the Company, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the Company.

This Ordinary resolution is required, under the JSE Listings Requirements, to be passed by achieving a 75% majority of the votes cast in favour of such resolution by all members present or represented by proxy and entitled to vote, at the annual general meeting."

Amendments to the Comair Share Incentive Trust

8. "RESOLVED THAT the Trust Deed constituting the Comair Share Incentive Trust be amended in the manner contemplated in paragraph 8.1 hereof:
 - 8.1 The Trust deed shall be amended on the passing of the resolution by amending clause 1.2.33 of the Trust Deed to increase the 'scheme allocation' from 21 000 000 shares comprising 5% (five percent) of the issued share capital of the Company to 31 500 000 shares comprising 7.5% (seven comma five percent) of the issued share capital of the Company."

Special Resolutions

9. Special Resolution Number 1
Approval to repurchase shares

"RESOLVED THAT, as a general approval contemplated in sections 85(2) and 85(3) of the Act, the acquisitions by the Company, and/or any subsidiary of the Company, from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the Articles of Association of the Company, the provisions of the Act and the Listings Requirements from time to time of the JSE, when applicable, and -

 - 9.1 the repurchase of securities being effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party;

Notice of Annual General Meeting

(Continued)

- 9.2 this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- 9.3 in determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten per cent) above the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such ordinary shares by the Company;
- 9.4 acquisitions of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty per cent) of the Company's issued ordinary share capital;
- 9.5 having considered the effect of the maximum repurchase now on the position over the twelve months from the date of the granting of the authority;
- 9.5.1 the Company and the Group will be in a position to repay its debt in the ordinary course of business for the following year;
- 9.5.2 the consolidated assets of the Company, fairly valued in accordance with Generally Accepted Accounting Practice, will be in excess of the consolidated liabilities of the company for the following year;
- 9.5.3 the ordinary capital and reserves of the Company and the Group will be adequate for the next twelve months;
- 9.5.4 available working capital will be adequate to continue the operations of the Company and the Group in the following year;
- 9.6 the Company may not enter the market to proceed with the repurchase until Comair's sponsor, Nedbank Corporate, a division of Nedbank Limited, has confirmed the adequacy of Comair's working capital for the purposes of undertaking a repurchase of shares in writing to the JSE;
- 9.7 the Company may only undertake a repurchase of securities if, after such repurchase, it still complies with paragraphs 3.37 to 3.41 concerning shareholder spread requirements;
- 9.8 the Company or its subsidiary may not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements;
- 9.9 when the Company has cumulatively repurchased 3% of the initial number of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement will be made; and
- 9.10 the Company may only appoint one agent to effect any repurchase(s) on its behalf.

Other disclosure in terms of the JSE Listings Requirements Section 11.26

The Listings Requirements of the JSE require the following disclosure, some of which is elsewhere in the annual report of which this notice forms part:

Directors and management - pages 16 to 19;
Major shareholders of Comair - page 41
Directors interests in securities - page 15
Share capital of the company - page 29

Litigation statement

In terms of section 11.26 of the Listings Requirements of the JSE, the Directors, whose names are given on pages 16 to 19 of the annual report of which this notice forms part ("the annual report"), are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the group's financial position.

Directors' responsibility statement

The Directors, whose names are given on pages 16 to 19 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to

Notice of Annual General Meeting

(Continued)

ascertain such facts have been made and that this resolution contains all information.

Material change

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of Comair and its subsidiaries since the auditors signed off on the financials.

The reason and effect for special resolution 9 is to authorise the Company by way of a general authority to acquire its own issued shares and/or its holding company on such terms, conditions and such amounts determined from time to time by the directors of the Company by the limitations set out above.

The directors of the Company have no specific intention to effect the provisions of special resolution number 9 but will, however, continually review this position having regard to prevailing circumstances.

Ordinary Resolution

Authorisation for DH Borer to sign necessary documents to give effect to resolutions

10. "RESOLVED THAT Derek Henry Borer be and is hereby authorised on behalf of the Company to sign all documents as may be necessary in order to give effect to the Special and Ordinary Resolutions."

Other Business

11. To transact such other business as may be transacted at an Annual General Meeting.

Voting and Proxies

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. For the convenience of registered shareholders of the Company, a form of proxy is enclosed herewith.

The attached form of proxy is only to be completed by those shareholders who are:

- holding Comair ordinary shares in certificated form; or
- are recorded on the electronic sub-register in "own name" dematerialised form.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with a Letter of Representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement/mandate entered into between them and the CSDP or broker.

Forms of proxy must be lodged with or posted to the Company's principle place of business, 1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619 (PO Box 8050, Bonaero Park, 1622) to be received not later than 48 hours (excluding Saturdays, Sundays and public holidays) before the time appointed for the holding of the Annual General Meeting, being Monday, 27 October 2003 at 12h00. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting.

By order of the Board



Derek H. Borer
Company Secretary.

Date: 1 September 2003

Place: Bonaero Park.

Notice of Annual General Meeting

(Continued)

Directors standing for election or re-election

1. Martin Darryl Moritz

(Age: 58)

(B.Com., LL.B.[Wits])

Martin matriculated at King Edward VII's School, Johannesburg in 1961 and graduated from the University of the Witwatersrand in 1968 with B.Com. and LL.B. degrees. After graduating he was appointed as Legal Adviser to Rand Mines Limited.

Thereafter, in October 1969, he commenced employment at Comair Holdings Limited as Assistant to the Managing Director. He was appointed Assistant General Manager for the Comair Group shortly thereafter and subsequently Group General Manager in 1973. In 1976 he acquired a shareholding in the Company as part of a management buy-out and was, in 1978, appointed Deputy Chairman of the Group, a position which he still holds today. He is a Fellow of the Royal Aeronautical Society and a Director of The Commercial Aviation Association of Southern Africa.

2. Jacob Meyer Kahn

(Age: 64)

(BA (Law) MBA (UP) DCom (hc) SOE).

Meyer joined the SAB Group in 1966 and occupied executive positions in a number of the Group's former retail interests before being appointed to South African Breweries Limited in 1981. He was appointed as Group Managing Director in 1983 and as Executive Chairman in 1990. In 1997, he was seconded full-time to the South African Police Service as its Chief Executive, serving for two and a half years. In 1999 he assumed Chairmanship of SAB plc. Amongst other awards, he holds an honorary doctorate in Commerce from the University of Pretoria and was awarded the SOE in the year 2000.

3. Gidon Saul Novick

(Age: 33)

(B.Com, CA(SA), MBA)

Gidon started his career doing accounting articles at Fisher Hoffman. During articles he successfully completed the board exam towards his Chartered Accountant qualification. After completing 3 years of articles, he went to the United States to complete his MBA at Kellogg in Chicago. During his time in the US he also spent 3 months at AT Kearney, a consulting firm. Since returning from the US in 1998, Gidon has worked at Comair. He has been involved in various roles, including strategy, marketing and operations. He currently looks after the kulula.com brand.

4. Martin Nicolaas Louw

(Age: 48)

(B.Mil)

Martin started his career with the SA Air Force in January 1973, as a pupil pilot. He spent 22 years in the SAAF as a fighter pilot, flight instructor, staff officer and project officer for airborne weapons systems, rising to the rank of Lieutenant Colonel. In 1994 he resigned from the SAF and joined Kentron as international marketer and later IST as project manager. He joined Comair as a first officer in 1996 and has since served as Chief Training Captain and Fleet Captain on B727, before becoming an Executive Manager and currently Director Flight Operations. Martin still flies actively as a captain on the B737.

5. Erik Rudolf Venter

(Age: 34)

(B.Com, CA(SA))

Erik completed articles with KPMG, whereafter he joined Brindley Manufacturing for a year as general manager. He joined Comair in 1996 as Financial Manager and took on the role of Commercial Manager in 1998. He was appointed to the board in July 2003 as Commercial Director.

Share Price Performance

	2003	2002
Market Price (cents per share)		
Closing (30 June)	90c	75c
High	100c	187c
Low	56c	45c
Closing Price / Earning Ratio	13,8	20,8
Number of Shares in Issue		
At year end (millions)	420	420
Weighted Average (millions)	420	420
Volume of Shares traded	21,5	108,1
Volume of Shares traded to number in issue	5,12%	25,7%

Shareholder Analysis

for the year ended 30 June 2003

1. DISTRIBUTION

Type of Shareholder	Number of Shareholders	Numbers of Shares Owned	% of Total
Individuals	3 047	14 392 572	3,427
Limited Companies	6	81 269 333	19,350
Nominee Companies	8	113 000	0,027
(Pty) Ltd Companies	51	150 490 187	35,831
Close Corporations	42	1 023 719	0,244
Trusts	96	27 782 900	6,615
Investment Companies	51	122 931 823	29,269
Pension Funds	5	20 942 215	4,986
Other	24	1 054 251	0,251
Total	3 330	420 000 000	100,000

Shareholder Analysis

2. HOLDINGS OF 5% OR MORE

Direct:

	Number of Shares	% of Shareholding
Britair Holdings Ltd	77 000 000	18,333
Telmore Investments (Pty) Ltd	73 679 123	17,543
Diamar Investments (Pty) Ltd	73 679 123	17,543

Indirect:

Allan Gray (through various funds and investment companies, with no fund or investment company holding more than 3,11% of the total issued share capital of the Company)	55 723 250	13,267
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Coronation (through various funds and investment companies, with no fund or investment company holding more than 1,74% of the total issued share capital of the Company)	27 943 064	6,653
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Type of Shareholder	Number of Shareholders in South Africa		Number of Shareholders other than in South Africa		Total Shareholders	
	Nominal Number	%	Nominal Number	%	Nominal Number	%
Directors	156 779 393	37,327			156 779 393	37,327
Non-Public						
Britair Holdings Limited			77 000 000	18,333	77 000 000	18,333
Comair Share Incentive Trust	20 608 104	4,907			20 608 104	4,907
Public						
Resident	137 711 090	32,789			137 711 090	32,789
Non-Resident			27 901 413	6,643	27 901 413	6,643
Total	315 098 587	75,024	104 901 413	24,976	420 000 000	100,000

The spread of public shareholders in terms of paragraphs 4.26, 4.27 and 4.28 of the Listing Requirements of The JSE Securities Exchange South Africa at 30 June 2003 was 39,432% represented by 3322 shareholders holding 165 612 503 Ordinary Shares in the Company.

Proxy Form

Form of Proxy for Annual General Meeting Comair Limited

Registration number 1967/006783/06 | Incorporate in the Republic of South Africa | ("Comair" or "the Company")

ISIN Code: ZAE00029823 Share Code: COM

The form of proxy is only to be completed by those shareholders who are:

- holding Comair ordinary shares in certificated form; or
- are recorded on the electronic sub-register in "own name" dematerialised form.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with a Letter of Representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement/mandate entered into between them and the CSDP or broker. Forms of proxy must be lodged with or posted to the Company's principle place of business, 1 Marignane Drive, Corner Atlas Road, Bonaero Park, Kempton Park, 1619 (PO Box 8050, Bonaero Park, 1622) to be received not later than 48 hours (excluding Saturdays, Sundays and public holidays) before the time appointed for the holding of the Annual General Meeting, being Monday, 27 October 2003 at 12h00. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting.

I/We (Block Letters) _____

of _____

Telephone: (Work) (area code) _____ Telephone: (Home) (area code) _____

being a holder of [_____] certificated shares and "own-name" dematerialised shares of
the Company and entitled to [_____] votes hereby appoint (see Note 1):
(Please print)

1. _____ or failing him/her

2. _____ or failing him/her

3. the Chairman of the Annual General Meeting

as my/our proxy to vote for me/us at the Annual General Meeting which will be held for the purpose of considering, and, if deemed fit, passing, with or without modifications, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name/s (see note 2) as follows:

RESOLUTION	Number of votes		
	For	Against	Abstain
1 To consider and adopt the Annual Financial Statements			
2 To approve the Director's remuneration policy			
3 To re-elect the Directors detailed below by means of a single resolution			
4 To re-elect the following Directors:			
M D Moritz			
J.M. Kahn			
G.S. Novick			
M.N. Louw			
E.R. Venter			
5 To re-appoint and determine the auditor's remuneration			
6 Resolution to grant authority to the Directors to issue the unissued shares of the Company			
7 Resolution authorising the general issue of shares for cash other than by way of a rights issue			
8 Resolution to amend the provisions of the Comair Share Incentive Trust			
9 Special Resolution Number 1: General Repurchase by Comair of its issued shares			
10 Resolution authorising Derek Henry Borer to give effect to Special and Ordinary Resolutions			

and generally to act as my/our proxy at the said Annual General Meeting.

(Please indicate with an "X" whichever is applicable. If no direction is given, the proxy holder will be entitled to vote or abstain from voting as the proxy holder deems fit.)

Signed at _____ on this _____ day _____ of _____ 2003

Signature _____

assisted by me (where applicable) _____

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder/s of the Company) to attend, speak and vote in place of that shareholder at the Annual General Meeting.

Please read the notes on the reverse side hereof



Notes

1. A certificated shareholder or "own-name" dematerialised shareholder may insert the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the Annual General Meeting". The person whose name appears first on the form of proxy and whose name has not been deleted will be entitled and authorised to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" in the appropriate box provided. Failure to comply herewith will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. Where the proxy is the Chairman, such failure shall be deemed to authorise the Chairman to vote in favour of the resolutions to be considered at the Annual General Meeting in respect of all the shareholder's votes exercisable thereat.
3. The completion and lodging of this form will not preclude the relevant shareholders from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
4. The Chairman of the Annual General Meeting may accept or reject any form of proxy which is completed and/or received other than in accordance with these notes and instructions, provided that the Chairman is satisfied as to the manner in which the shareholder wishes to vote.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity such as a power of attorney or other written authority must be attached to this form unless previously recorded by the transfer secretaries of the Company or waived by the Chairman of the Annual General Meeting.
6. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - (a) under a power of attorney
 - (b) on behalf of a companyunless that person's power of attorney or authority is deposited at the principal place of business of the Company as set out in Note 3 not less than 48 hours before the holding of the Annual General Meeting.
7. An instrument of proxy shall be valid for any adjournment or postponement of the Annual General Meeting, unless the contrary is stated therein, but shall not be used at the resumption of an adjourned Annual General Meeting if it could not have been used at the Annual General Meeting from which it was adjourned for any reason other than that it was not lodged timeously for the meeting from which the adjournment took place.
8. A vote cast or act done in accordance with the terms of a form of proxy shall be deemed to be valid notwithstanding
 - (a) the previous death, insanity or any other legal disability of the person appointing the proxy; or
 - (b) the revocation of the proxy; or
 - (c) the transfer of a share in respect of which the proxy was given,unless notice as to any of the above-mentioned matters shall have been received by the Company at its principal place of business as set out in Note 3 or by the Chairman of the Annual General Meeting if not held at the principal place of business of the Company, before the commencement or resumption (if adjourned) of the Annual General Meeting at which the vote was cast or the act was done or before the poll on which the vote was cast.
9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing her/her legal capacity are produced or have been registered by the Company's transfer secretaries.
10. Where shares are held jointly, all joint holders are required to sign the form of proxy.
11. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.



Administration

Comair Limited

Operating as British Airways and kulula.com

Administration

(011) 921 0111

Cnr. Atlas and Marignane Drive
Bonaero Park
1622

www.comair.co.za

Sales

British Airways: (011) 921 0222
Groups: (011) 921 0333

0861 1 FLY BA
0861 4 359 22

www.ba.com

kulula.com

0861 kulula
0861 585852

www.kulula.com

Comair Limited

