

# Comair Limited



## INTERIM RESULTS

for the six months ended 31 December 2003

# Comair Limited

## Abridged group income statement

	Unaudited six months 31 Dec 2003 R' 000	Unaudited six months 31 Dec 2002 R' 000	% change	Audited 12 months 30 June 2003 R' 000
Revenue	729,549	708,412	3%	1,365,907
Operating (loss)/profit before exceptional items	(2,850)	15,547	-118%	11,931
Aircraft deposit translation loss	(3,580)	-		(11,604)
Aircraft impairment write-down	-	-		(35,000)
Investment settlement	-	-		(3,600)
(Loss)/profit from operations	(6,430)	15,547	-141%	(38,273)
Net investment (expense)/income	(6,358)	(289)	2100%	987
(Loss)/profit before taxation	(12,788)	15,258	-184%	(37,286)
Taxation	3,594	(1,882)	-291%	14,386
Attributable (loss)/earnings	(9,194)	13,376	-169%	(22,900)

## Abridged group balance sheet

<b>Assets</b>				
Property, plant and equipment	454,634	330,317		295,452
Loan to share incentive trust	14,555	13,400		13,583
Unlisted investment	-	105,211		-
Current Assets	420,571	347,705		408,642
	<b>889,760</b>	<b>796,633</b>		<b>717,677</b>
<b>Equity and liabilities</b>				
Share capital and reserves	335,039	388,909		352,633
Non current liabilities	202,146	169,056		21,331
Deferred taxation	3,769	28,513		8,017
Current liabilities	348,806	210,155		335,696
	<b>889,760</b>	<b>796,633</b>		<b>717,677</b>

## Abridged group cash flow statement

	Unaudited six months 31 Dec 2003 R' 000	Unaudited six months 31 Dec 2002 R' 000	% change	Audited 12 months 30 June 2003 R' 000
Cash and cash equivalents at the beginning of the period	168,482	175,610		175,610
Cash from operations and investment income	(17,193)	72,202		47,436
Dividends paid	(8,400)	(8,400)		(8,400)
Taxation refunded / (paid)	(654)	8,552		9,242
Cash utilised in investing activities	(163,209)	(20,728)		(41,225)
Cash generated by / (applied) in financing activities	193,074	(1,022)		(14,181)
Cash and cash equivalents at the end of the period	172,100	226,214		168,482

## Salient features

Headline earnings				
Earnings attributable to ordinary shareholders	(9,194)	13,376		(22,900)
Add back Aircraft deposit translation loss	3,580	-		11,604
Add back Aircraft impairment write down	-	-		35,000
Add back Investment settlement	-	-		3,600
Headline earnings attributable to ordinary shareholders	(5,614)	13,376		27,304
Weighted ordinary shares issued ('000)	420,000	420,000		420,000
Earnings per share (cents)	(2.2)	3.2	-169%	(5.5)
Headline earnings per share (cents)	(1.3)	3.2	-142%	6.5
Depreciation (R '000)	14,449	14,415		28,380
Interest expense (R '000)	21,358	15,459		29,698

## Statement of changes in equity

	Share capital R '000	Share premium R '000	Retained income R '000	Total R '000
Balance at 1 July 2003	4,200	8,456	339,977	352,633
Profit/(Loss) for the six months	-	-	(9,194)	(9,194)
Dividends paid during the six months	-	-	(8,400)	(8,400)
Balance at 31 December 2003	4,200	8,456	322,383	335,039

# Comair Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1967/006783/06)  
JSE Share code: COM ISIN number: ZAE000029823 ("Comair")



## Earnings review

The company reports a R9.2 million attributable loss for the six months to 31 December 2003 compared to attributable earnings of R13.4 million for the six months to 31 December 2002. Operating loss was R2.85 million after writing off losses of R16.7 million on forward exchange cover on the acquisition of three Boeing B737-300 aircraft that were delivered during the interim reporting period. Operating profit, excluding such forward exchange cover losses, amounted to R13.8 million compared to operating profit of R15.5 million for the six months to 31 December 2002.

Revenue increased 3% over the comparable period ended 31 December 2002, and 11% over the second half of the 2003 financial year. Revenue growth resulted from increased passenger volumes and improved load factors which, however, were partially offset by lower yields. Yields remain under pressure due to over-capacity in the domestic market and lower revenues earned from dollar based traffic from international markets due to the strengthening Rand. The cash balance has increased to R172 million from R164 million at the start of the financial year.

## Prospects

Yields are expected to remain under pressure while market capacity significantly exceeds demand. Costs remain favourable subject to the exchange rate and oil prices. Further operating efficiencies are expected from the recent fleet upgrades in both the kulula.com and British Airways brands. However, prospects for the full year remain uncertain under current trading conditions.

## Dividends

No interim dividend has been declared for the period as it is company policy to declare one dividend annually in September.

## Financial Statements

These interim 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 annual financial statements for the year ended 30 June 2003.

By order of the board

D. Novick  
*Chairman*

P. van Hoven  
*Managing Director*

17 February 2004

## Company secretary

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## Transfer office

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Operating as  
  
BRITISH AIRWAYS

  
kulula.com