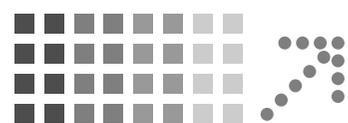


Comair Limited



Audited Group Results for the Year Ended 30 June 2005



NEDBANK
CAPITAL

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

Company Secretary: D. Borer
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Bonaero Park, 1619
P.O.Box 7015, Bonaero Park, 1622

Transfer Office:
Computershare Investor Services 2004 (Pty) Ltd
70 Marshall Street
Johannesburg, 2002
P.O. Box 61051, Marshalltown, 2107

Commentary

Earnings Review

The past financial year presented another year of aggressive competition in the market for domestic air travel. Domestic yields continued to decline, making air travel more affordable than ever, and resulting in unprecedented market volume growth of approximately 14%. Comair was well positioned to grow its market share further, resulting in passenger gains of 18% and an increase in turnover of 16%. Capacity grew by 12% along with improved seat occupancy levels. The above mentioned growth produced an operating profit of R114.1 million and headline earnings per share of 17.3 cents (prior year operating profit of R40.7 million and headline earnings per share of 12.1 cents).

Operating costs were affected by a 32% average increase in the dollar price of crude oil, raising the fuel component of operating costs from 20% to 26%, before taking into account the fuel surcharge on British Airways ticket sales which contributed significantly towards the recovery of a portion of the fuel price increase. The strong rand also mitigated the high dollar cost of fuel and benefited other dollar based costs.

Cash generated by operations remained strong at R195.6 million (prior year R63.3million), and after spending R107 million on aircraft and flight simulator acquisitions, resulted in a cash balance of R216 million at year end (prior year R210 million).

Capital commitments

The company has committed to capital expenditure of R88 million, being the balance of payments due in respect of two Boeing B737-300 aircraft to be acquired in July 2005 and in December 2005. The payments are to be made in US Dollars and were fully hedged at year end at an average forward rate of R6.09/US\$.

Prospects

Comair expects to see continued improvements in its fleet efficiency as well as reduced distribution costs.

Fuel prices have risen substantially in recent months and it is proving difficult to recover the associated cost through fuel levies and higher ticket prices. Performance in the new financial year will be significantly influenced by over-capacity in the market, the fluctuating rand/dollar exchange rate, robust competition on fares and the volatile fuel price.

Dividends

The Directors have resolved to declare a dividend (Dividend number 7) of 7.0 cents per share (prior year: 2.0 cents per share) to all shareholders. The last day to trade (cum the dividend) in order to participate in the dividend will be Friday, 23 September 2005. The shares will commence trading "ex" dividend from the commencement of business on Monday, 26 September 2005 and the record date is Friday, 30 September 2005. Share certificates may not be de-materialised or re-materialised between Monday, 26 September 2005 and Friday, 30 September 2005 both days included. The dividend payment will be made on Monday, 3 October 2005.

Abridged Group Income Statement

	2005	2004	%
	R'000	R'000	change
Revenue	1,713,583	1,474,549	16%
Operating Expenses	(1,599,515)	(1,433,804)	12%
Operating profit before exceptional items	114,068	40,745	180%
Aircraft deposit translation loss	-	(5,120)	
Aircraft deposit write-off	-	(24,752)	
Aircraft impairment	-	(115,106)	
Aircraft forward cover exchange loss	-	(16,658)	
Profit / (Loss) from operations before taxation	114,068	(120,891)	
Interest expense	(23,713)	(44,480)	
Interest income	11,569	8,768	
Dividend income	-	20,455	
Profit / (Loss) from ordinary activities before taxation	101,924	(136,148)	
Taxation	(25,861)	39,448	
Profit / (Loss) for the year	76,063	(96,700)	

Abridged Group Balance Sheet

	2005	2004
	R'000	R'000
ASSETS		
Property, plant and equipment	419,894	343,927
Deferred Taxation	5,641	31,435
Unlisted Investment	45,900	-
Current assets	335,945	316,639
	807,380	692,001
EQUITY AND LIABILITIES		
Capital and reserves	311,272	234,236
Non-current liabilities	177,740	190,787
Current liabilities	318,368	266,978
	807,380	692,001

Abridged Group Statement of Changes in Equity

	2005	2004
Opening balance	234,236	339,050
Profit / (Loss) for the year	76,063	(96,700)
Dividend paid	(7,989)	(7,989)
Gain from cash flow hedges	9,269	-
Shares purchased by Share Trust	(1,024)	(520)
Shares sold by Share trust	717	395
Closing balance	311,272	234,236

Abridged Group Cash Flow Statement

	2005	2004
	R'000	R'000
Cash at the beginning of the year	210,201	168,498
Cash generated by operations	195,632	63,279
Net interest expense	(12,144)	(33,212)
Taxation refunded / (paid)	14	(2)
Dividends paid	(7,989)	(7,989)
Addition to property, plant and equipment	(107,213)	(195,992)
Proceeds on disposal of property, plant and equipment	7,058	266
Aircraft deposits (paid) / utilised	(10,452)	17,724
Proceeds on disposal of unlisted investments	-	135,490
Acquisition of preference share investments	(45,900)	-
Cash (utilised) / generated by financing activities	(13,535)	62,139
Cash at the end of the year	215,672	210,201

Headline Earnings Per Share

	2005	2004
Earnings attributable to ordinary shareholders	76,063	(96,700)
Add back Aircraft impairment	-	115,106
Add back Aircraft deposit translation loss	-	5,120
Add back Aircraft deposit write-off	-	24,752
Less profit on disposal of property, plant and equipment	(7,057)	-
Headline earnings attributable to ordinary shareholders	69,006	48,278

Salient Features

	2005	2004
Earnings per share (cents)	19.0	(24.2)
Headline earnings per share (cents)	17.3	12.1
Diluted earnings per share (cents)	18.7	(24.2)
Diluted headline earnings per share (cents)	17.0	12.1
Dividend per share (cents) declared	7.0	2.0
Weighted ordinary shares in issue ('000)	399,441	399,431
Diluted weighted ordinary shares in issue ('000)	406,655	399,431
Depreciation (R'000)	31,245	32,182

These financial statements have been prepared in accordance with 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 2004.

These financial statements have been audited by PKF (Jhb) Inc. and their unqualified audit report is available for inspection at the registered office of the company.

By order of the Board

D. Novick Chairman
5 September 2005

P. van Hoven Managing Director