

## South African Express Financial Performance 2008/9

### South African Express Financial Indicators

<b>Net Profit</b>	<b>R 235.4 m</b>	<b>↑</b>	<b>19%</b>
<b>Passengers</b>	<b>1.52m</b>	<b>↑</b>	<b>2%</b>
<b>Operating Profit Margin</b>	<b>17%</b>	<b>—</b>	<b>0%</b>
<b>Net Profit Margin</b>	<b>13%</b>	<b>—</b>	<b>0%</b>

### Statement of Financial Position

	2009	2008
	R'000	R'000
Non-current assets	887,421	776,982
Current assets	566,136	332,018
<b>Total assets</b>	<b>1,453,557</b>	<b>1,109,000</b>
Equity attributable to shareholders	1,011,187	(26,152)
Non-current liabilities	218,287	178,701
Current liabilities	224,083	956,451
<b>Equity and liabilities</b>	<b>1,453,557</b>	<b>1,109,000</b>

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### GLOBAL ECONOMIC OVERVIEW

The 2008/09 financial year can be summarized as a turbulent period for the global economy and in particular, the aviation industry. For the first time, fuel prices sky-rocketed past the US\$140 a barrel mark during the course of the year and then came tumbling down below the US\$45 mark.

While some airlines quickly adapted and assumed contingency measures, over 30 airlines worldwide closed their businesses due to the economic crisis. It is common knowledge that the aviation industry is vulnerable to change in the economy. The 2008/09 financial year highlighted that a modification in the economy, no matter how significant can positively or adversely affect the industry.

### OPERATING PERFORMANCE

The turnover and expenses for the year have increased by 22% and 25% respectively against a background of ever-increasing fuel prices. The profit before tax has increased by 18% to R313 million (2008: R266 million) and the net profit by 19% to R235 million.

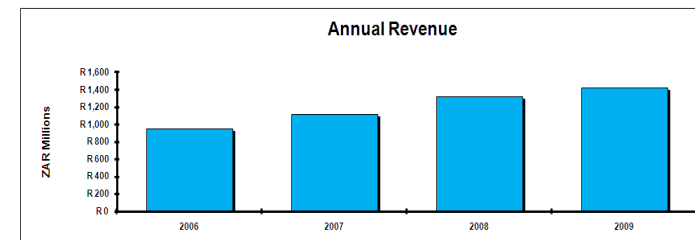
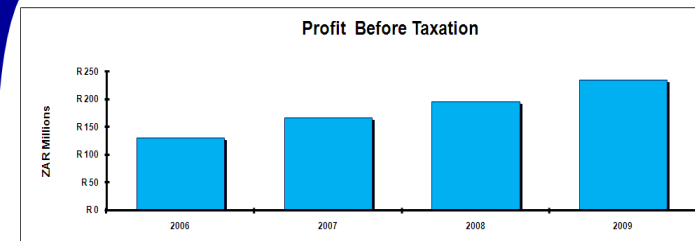
The total revenue increase is mainly attributable to increased revenue in the regional markets. Though economic threats linger for the following financial year, the airline is confident that revenue growth will be maintained. South African Express remains dedicated to become the number one regional airline on the continent.

### CASH FLOW

For the financial year under review the cash generated by operations amounted to R129m. Over the last three years however, the airline has generated an average of R248m per annum.

In addition to this our working capital requirements have steadily increased over the last three years. This is due to the impact of an increased fleet and the requirement for additional spare part inventory to ensure the maintenance thereof. The increase in working capital has been funded from cash generated from operations.

### SA Express Financial Indicators



### Statement of Comprehensive Income

	2009	2008
	R'000	R'000
Turnover	1,854,648	1,527,259
Revenue	1,424,248	1,326,701
Cost of Sales	(207,187)	(156,402)
<b>Gross Profit</b>	<b>1,217,061</b>	<b>1,170,299</b>
Other Income	430,400	200,558
Operating Expenses	(1,334,444)	(1,104,608)
<b>Operating Profit</b>	<b>313,017</b>	<b>266,249</b>
Taxation	(77,634)	(69,228)
<b>Profit for the year</b>	<b>235,384</b>	<b>197,021</b>



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