

SAA 2015/16 FIRST AND SECOND QUARTER REPORT

Item #	KPI	Performance Targets	Actual Performance	Performance Targets	Actual Performance
		Quarter 1 (Apr-Jun)	Quarter 1 (Apr-Jun)	Quarter 2 (Jul - Sept)	Quarter 2 (Jul - Sept)
1	RASK	0.96	0.89	1.03	0.98
	RATK	2.38	2.16	2.47	2.5
2	(ZAR) CASK	1.02	0.98	1	1
3	Routes profitable at a contribution after aircraft ownership level + network contribution	Yes	no	yes	No
	Connecting revenue per ASK	0.228 (ZAR) cents	TBA	0.230 (ZAR cents)	0.213
4	Current Ratio	1.26	0.57	1.12	0.61
	Cash flow/Interesting Bearing Debt	0.03	0.1	-0.01	-0.035
	Free Cash Flow	-673	-1158	-32	335
	Debt/Equity	2.17	1.1	1.94	1.12
	Debt/EBITDA	-60.64	-21.79	57.42	-179.2
	Debt Service Coverage Ratio	0.29	0.42	0.32	-0.06
5	EBITDA (R M)	-323	-461	305	-56
	Net Profit (R M)	-667	-829	-35	132
6	Detailed strategy for renegotiating agreements with pilots and contingency plan	na	na	X	yes
	Detailed customer analysis to define, understand and select customer segments and development of a customer value proposition for targeted customer segments	na	na	X	yes
	Delivery of a proposed Corporate structure	na	na	X	no
	Delivery of a proposal and business case for the West African Hub	na	na	X	yes
	Delivery of a Borrowing/Funding Plan with contingency plan	na	na	X	yes
	Delivery of a headcount reduction strategy and contingency plan	X	no	n/a	n/a
	Comprehensive strategy for future fleet negotiations	na	na	X	no
	Evaluate the business case of parking all or some of the A340-600s with immediate effect	na	na	X	no
	Consolidate existing data and develop business intelligence tools for greater visibility	na	na	X	yes
	Process for assessing and remediating route performance and a decision framework for determining whether to open or close routes	na	na	n/a	n/a
	Review the hedging policy in line with best practice	na	na	X	yes
Implementation plan for strengthening governance, internal controls and working capital management	na	na	X	no	
7	Ensure performance management system in place throughout SAA that translates LTTS into performance agreements	X	no	n/a	n/a
	Provide an assessment of the 2014/15 executive management's performance based on performance agreements	na	na	X	yes
	Executive Management remuneration based on shareholder compact as basis for determining remuneration	na	na	n/a	n/a
	Implementation of a head-count strategy as a cost cutting measure to return entity to profitability	na	na	X	yes
8	% spend locally	81%	92%	74%	99%
	% of local spend on B-BBEE compliant companies	92%	95%	92%	96%
	% of local spend on Black owned entities	5%	2%	8%	1%
	% of local spend on Black SMMEs	2%	3%	4%	2%
	% of local spend on Black women owned entities	1%	0%	2%	1%
9	% level of customer satisfaction	80%	77%	80%	75%
10	No repeat and unresolved findings	na	na	n/a	n/a

11	Number	Nil	no info	nil	nil
12	Fuel burn rate	TBD	TBA	3.92	3.87
	Aircraft despatch reliability	97%	TBA	97%	99%
	Narrow-body fleet average turn time	45 mins	TBA	45 mins	49.5
	Daily average wide-body fleet utilisation	14 hours	not included	14 hours	12.24
13	Submission dates met/missed	Nil	TBA	nil	tba
14	Provide all existing commercial agreement with SA Express	X	provided	n/a	n/a
	Terms of reference of the joint formal committees overseeing Commercial agreements	na	na	X	yes
	Resolution of SA Express commercial agreements	na	na	X	yes
	Terms of reference for a formal committee structure including SA Express and Mango that will negotiate and procure for shared services	na	na	X	no
	Performance reports of the Formal Committee Structure for procurement and negotiation of shared services	na	na	X	no
	Terms of reference of Formal Joint Committee overseeing the consolidated network plan	na	na	X	yes
	Establishment of the Route Development and Scheduling Committee with SA Express and Mango for the implementation and management of the Integrated Network Plan	na	na	X	yes
	Quarterly Performance results of the integrated network plan and fleet deployment plan	Budgeted aggregate route profitability achieved	TBA	Budgeted aggregate route profitability achieved	tba
	Number of new code share partnerships concluded with other State Owned Airlines, in line with the consolidated Network & Fleet Plan	2	TBA	2	tba