



**Annual Financial Results  
Period Ending 31 March 2010**

**Parliament presentation – Cape Town  
26 October 2010**

# GLOBAL AVIATION INDUSTRY REVIEW

## FY2009-10

- ✘ Global international scheduled passenger traffic declined by 3.1% in 2009 compared to 2008
- ✘ International traffic dropped by 3.9% while domestic traffic fell by 1.8%
- ✘ Total (international and domestic) traffic declined in all regions except for the Middle East
- ✘ A moderate recovery is expected for 2010 with a 3.3% traffic growth forecast
- ✘ The momentum is expected to continue in 2011, on the way to full recovery and traditional growth trends of 5.5% per year
- ✘ In 2009, cargo traffic dropped by 15% in terms of total freight tonne kilometers (FTK) compared to 2008, significantly worse than the 6.2% drop in 2001

# GLOBAL AVIATION INDUSTRY REVIEW

## FY2009-10

- ✘ Revenues: Industry revenues are expected to rise by USD22 billion (4.9%) to USD478 billion in 2010, compared to 2009
- ✘ Passenger Demand: Following a decline of 3.1% in 2009, passenger traffic is expected to grow by 4.5% in 2010. A total of 2.28 billion people are expected to fly in 2010
- ✘ Cargo Demand: Cargo demand is expected to grow by 7% to 37.7 million tonnes in 2010, following a 13% decline in 2009
- ✘ Fuel: An average oil price of USD75.0 per barrel (Brent) is expected in 2010, up considerably from the USD61.8 average expected for 2009
- ✘ All regions except Africa will see an improvement in the next financial year
- ✘ African carriers will deliver a loss of USD100 million in 2010, consistent with the USD100 million loss of 2009

# FINANCIAL AND OPERATIONAL HEADLINES

**SA Express is pleased to announce that it has remained profitable despite the harsh economic and operating climate**

<b>Net Profit:</b>	<b>250m</b>
<b>Debt to equity ratio:</b>	<b>41%</b>
<b>Revenue growth:</b>	<b>-0.5%</b>
<b>Operating Profit Margin:</b>	<b>19%</b>
<b>Growth in passenger numbers:</b>	<b>-5.4%</b>
<b>RASK (ZAR cents) decreased:</b>	<b>4.7%</b>
<b>CASK (ZAR cents) improvement:</b>	<b>5%</b>
<b>Passenger load factor:</b>	<b>62%</b>
<b>OTP:</b>	<b>87%</b>

# INCOME STATEMENT

<u>DETAILS (R'000)</u>	<u>2010</u>	<u>2009</u>	
Pax revenue	1,599,526	1,688,116	
Cargo	13,004	15,776	
Other income	235,009	153,982	
<b>Total turnover</b>	<b>1,847,539</b>	<b>1,857,874</b>	← Total turnover decreased by 0.5% compared to 2009
<b>Expenses Main</b>			
Salaries	359,324	291,666	
Material	68,973	47,132	
Meals and refreshments	55,959	53,880	
Fuel	297,222	463,865	
Training	26,496	38,554	
Operating lease rentals	142,279	149,842	
<b>Total expenses</b>	<b>1,492,776</b>	<b>1,486,853</b>	← Total expenses increased by 0.8% whilst the fuel bill also decreased by 36% compared to the prior period
<b>Operating profit</b>	<b>354,763</b>	<b>371,020</b>	
Finance costs	6,231	65,413	
<b>Nett Profit before tax</b>	<b>348,532</b>	<b>305,607</b>	← Operating profit decreased by 4.3% compared to the prior period
Taxation	97773	77633	
<b>Nett Profit after tax</b>	<b>250,759</b>	<b>227,973</b>	← Nett profit after tax increased by 10%.

# BALANCE SHEET

Details (R'000)	2010	2009
<b>ASSETS</b>	<b>1,680,793</b>	<b>1,453,557</b>
Non current assets	1,118,070	887,421
Current assets	562,723	566,136
<b>EQUITY AND LIABILITIES</b>	<b>1,680,793</b>	<b>1,453,557</b>
Share capital	501,837	56,837
Reserves	356,955	801,955
Retained earnings	335,357	84,598
Non current liabilities	288,884	218,287
Current liabilities	197,760	291,880

Total assets increased by 16%  
year on year

Equity increased by 27% year on  
year

Total liabilities decreased by 5%  
year on year

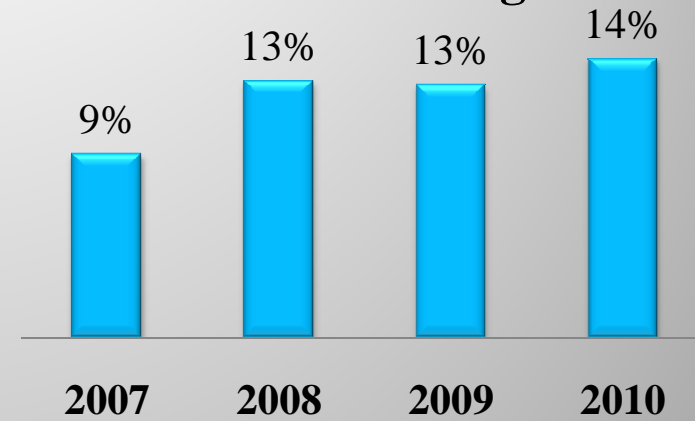
# KEY PERFORMANCE INDICATORS

✘ Despite the global pressure on the economy and airlines in general, the Nett Profit Margin of SA EXPRESS increased to 14% from 13% in the previous year.

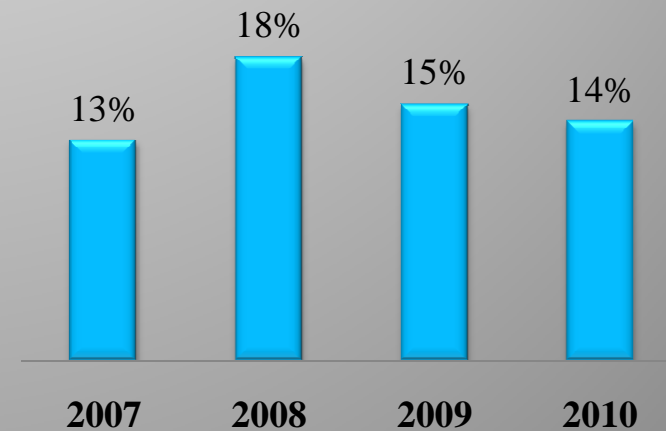
✘ Return-on-Assets decreased by 1% to 14% in the current financial period

✘ The Current Ratio increased to 2.84 times compared to 1.93 times in the prior period, reflecting the increase in the ability to meet short term obligations

### Net Profit Margin

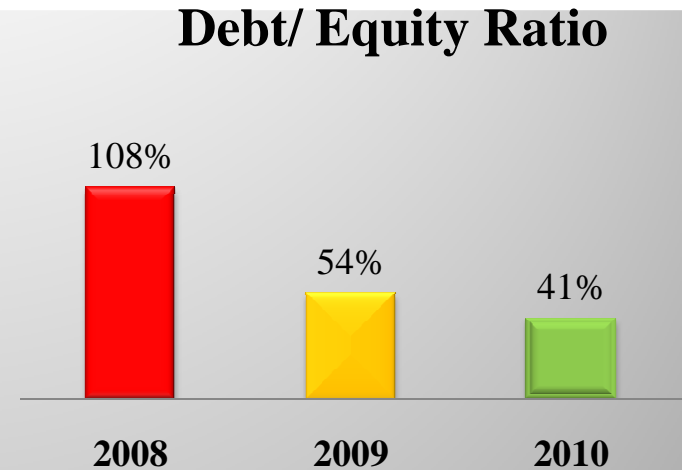


### Return on assets

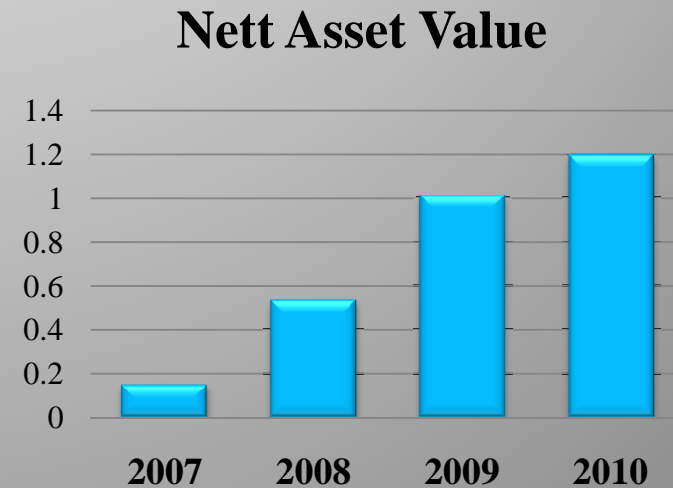


# KEY PERFORMANCE INDICATORS (CONTINUE)

✕ The Debt-to-Equity ratio improved from 54% in the opposing period to 41% in the current year reflecting the reduction in total liabilities



✕ Net Asset value increased by 26% compared to the opposing period.





# EMPLOYMENT PROFILE

Category	Status
Total Employment Profile	<ul style="list-style-type: none"> <li>• Head Count is 931</li> <li>• Race Profile: 40% white and 60% black</li> <li>• Gender profile: 38% female and 62% male</li> <li>• Disability profile: 0.6%</li> </ul>
Executive Management	<ul style="list-style-type: none"> <li>• 14 Executive Managers of a staff compliment of 931 (1.5% )</li> <li>• 64.2% are males and 35.7% are females.</li> <li>• Of the 9 males, 88.8% represent the Black group</li> <li>• Of the 5 females, 60% represent the Black group</li> </ul>
Management	<ul style="list-style-type: none"> <li>• 67 Managers of a staff compliment of 931 (7.2%)</li> <li>• Race Profile: 60% Black and 40% White</li> <li>• Gender profile: 38% female and 62% male</li> </ul>
Skills Development	<ul style="list-style-type: none"> <li>• Training spend: 7% of Payroll (R 26,496,848)</li> <li>• Mostly functional training (legislated)</li> <li>• 43% are black and 57% are white</li> <li>• Cadet Pilots: 100 %Black of 8 cadets</li> <li>• Technical Apprentices: 100% Black of 7 apprentices</li> <li>• MDP: 50% Black of 20 delegates</li> </ul>

\*As at 31 March 2010

# INDUSTRY TARGETS

CRITERIA	5 YEAR TARGET	SAX 2009
Black Employees in Senior Management	43%	78.57%
Black Women in Senior Management	21.50%	28.57%
Black Women in Middle Management	31.50%	31%
Black Employee in Junior Management	68%	55.17%
Black Women in Junior Management	34%	25.86%
Black Employee living with disability	2%	0.50%
Black Women living with disability	1%	0.10%
Black Pilots	8%	12.24%
Black Women Pilots	3%	4.80%
Black Technicians	25%	47.75%
Black Women Technicians	3%	2%

# HIGHLIGHTS 2009-2010

- ✕ Won the 2009 Airline Reliability Performance Award from Bombardier
- ✕ Awarded 2009 Regional Airline of the Year by African Airlines Association
- ✕ Carried ALL the teams domestically during the FIFA World Cup
- ✕ Launch of Congo Express in the DRC
- ✕ Renewed IATA membership

# CHALLENGES AHEAD

A series of challenges face SA Express for the FY2011

- ✘ A potential second economic down turn, with passenger numbers remaining low
- ✘ Fuel Price Fluctuation
- ✘ Exchange rate fluctuations
- ✘ Congo Express



**THANK YOU**