

Comair Limited

(Registration No. 1967/006783/06)

Share Code: ("COM")

ISIN Code: ZAE000029823

AUDITED GROUP RESULTS FOR THE YEAR ENDED 30 JUNE 2002

ABRIDGED GROUP INCOME STATEMENT

	2002	2001
	R'000	R'000
Revenue	1,284,962	1,160,000
Operating Profit	11,858	73,843
Profit on sale of aircraft	-	25,483
Profit from operations	11,858	99,326
Net investment (expense)/income	(1,085)	8,706
Profit before taxation	10,773	108,032
Taxation	4,539	(15,070)
Attributable earnings	15,312	92,962

ABRIDGED GROUP BALANCE SHEET

Assets		
Property, plant and equipment	334,304	309,989
Loan to share incentive trust	14,040	14,000
Unlisted investments	96,226	80,493
Current assets	344,894	372,881
	789,464	777,363
Equity and liabilities		
Share capital and reserves	383,933	402,221
Long term liability	171,460	181,237
Deferred taxation	26,629	31,168
Current liabilities	207,442	162,737
	789,464	777,363

ABRIDGED STATEMENT OF CHANGES IN EQUITY

Opening Balance	402,221	338,659
Attributable earnings for the year	15,312	92,962
Dividends paid	(33,600)	(29,400)
Closing balance	383,933	402,221

ABRIDGED GROUP CASH FLOW STATEMENT

Cash and cash equivalents at the beginning of the year	267,228	315,854
Cash generated by operations	45,871	69,720
Nett interest income / (expense)	(10,708)	2,160
Taxation paid	(2,347)	(25,363)
Dividends paid	(33,600)	(29,400)
Additions to property, plant and equipment	(50,117)	(152,146)
Proceeds on disposal of aircraft	-	39,536
Deposit paid on aircraft	(30,900)	-
Cash generated by financing activities	(9,817)	46,867
Cash and cash equivalents at the end of the year	175,610	267,228

SALIENT FEATURES

Headline earnings per share (cents)	3.6	22.1
Earnings per share (cents)	3.6	22.1
Dividends per share (cents)	2.0	8.0
Weighted ordinary shares issued ('000)	420,000	420,000
Depreciation (R'000)	25,456	14,702
Interest expense (R'000)	32,474	28,408

EARNINGS REVIEW

Comair did well to achieve R15,3 million attributable earnings translating to 3,6 cents headline earnings per share for the June 2002 financial year (prior year R93 million attributable earnings and 22,1 cents headline earnings per share). These earnings were achieved in a year of unprecedented challenges for the global airline industry exacerbated by conditions in Southern Africa linked to the collapse of the Rand and general market overcapacity. The attributable earnings included a R4,5 million tax credit in respect of an assessed tax loss asset.

Operating margins were eroded by the negative cost impact of the weaker Rand on fuel, maintenance, insurance and distribution costs. With half of Comair's operating costs linked directly to the US Dollar, the 34% weakening of the Rand increased unit costs by 17% for the year.

The 11% turnover growth achieved from R1,16 billion last year to R1,28 billion was largely attributed to the R162 million revenue generated by the kulula.com "no frills" air service launched in August 2001. The overall load factors for Comair improved from 60% last year to 63% but yields remained under pressure.

Cash generated by operations was positive at R46 million contributing towards a healthy R175 million cash balance at financial year end, supporting the declaration of a final cash dividend of 2,0 cents per share (prior year 8,0 cents).

PROSPECTS

While trading conditions are expected to remain tough for the June 2003 financial year, the key determinants of performance remain yields, crude oil prices and a stable Rand. The objective however, remains to be profitable with continued emphasis on cash management.

The fleet changes to be implemented are expected to achieve further efficiencies. kulula.com is expected to continue to make a contribution to earnings in its first full year of operations.

ACCOUNTING POLICIES

The financial statements are prepared on the historical-cost basis which complies in all material respects with South African Statements of Generally Accepted Accounting Practice. The accounting policies are materially consistent with those of the previous year. To comply with AC107, the dividend declared is recorded in the year of payment. The unqualified audit report is available for inspection at the Company's registered office.

DIVIDENDS

The Directors of Comair have resolved to declare a dividend of 2.0 cents per share to all shareholders. The last day to trade ("cum" dividend) in order to participate in the dividend will be Thursday, 19 September 2002. Shares will commence trading ex-dividend from the commencement of trading on Friday, 20 September 2002 and the record date will be Friday, 27 September 2002. Dividend cheques will be posted or electronic dividend payments will be made to certificated shareholders on Monday, 30 September 2002.

Shareholders who have dematerialised their share certificates will have their bank accounts, which are linked to their safe custody accounts held at their CSDP or broker, credited on Monday, 30 September 2002.

In the case of certificated shareholders, notice of any change of address must reach the transfer secretaries by no later than 16:00 on Thursday, 19 September 2002.

Share certificates may not be dematerialised or rematerialised from Friday, 20 September 2002 to Friday, 27 September 2002, both days inclusive.

ANNUAL REPORT

The annual report for the year ended 30 June 2002 will be posted to shareholders in the month of September 2002.

By order of the board

D NOVICK
Chairman
2 September 2002

P VAN HOVEN
Managing Director
2 September 2002

Company secretary: D Borer, 1 Marignane Drive, Bonaero Park, 1619, P O Box 7015, Bonaero Park, 1622.

Transfer of files: Computershare Investor Services Limited, 2nd Floor Edura, 41 Fox Street, Johannesburg, P O Box 61051, Marshalltown, 2107.

Directors: D Novick (Chairman), MD Moritz (Deputy Chairman), P van Hoven (Managing Director), D Hyde (Br.), JM Kahn, PR Marx, Ms DNM Mokhobo, GW Orsmond, RC Sacks, BJ van der Linden (Neth.), N Vliok, Dr. PJ Welgemoed.