Contents

1time holdings Ltd

Highlights

Growth

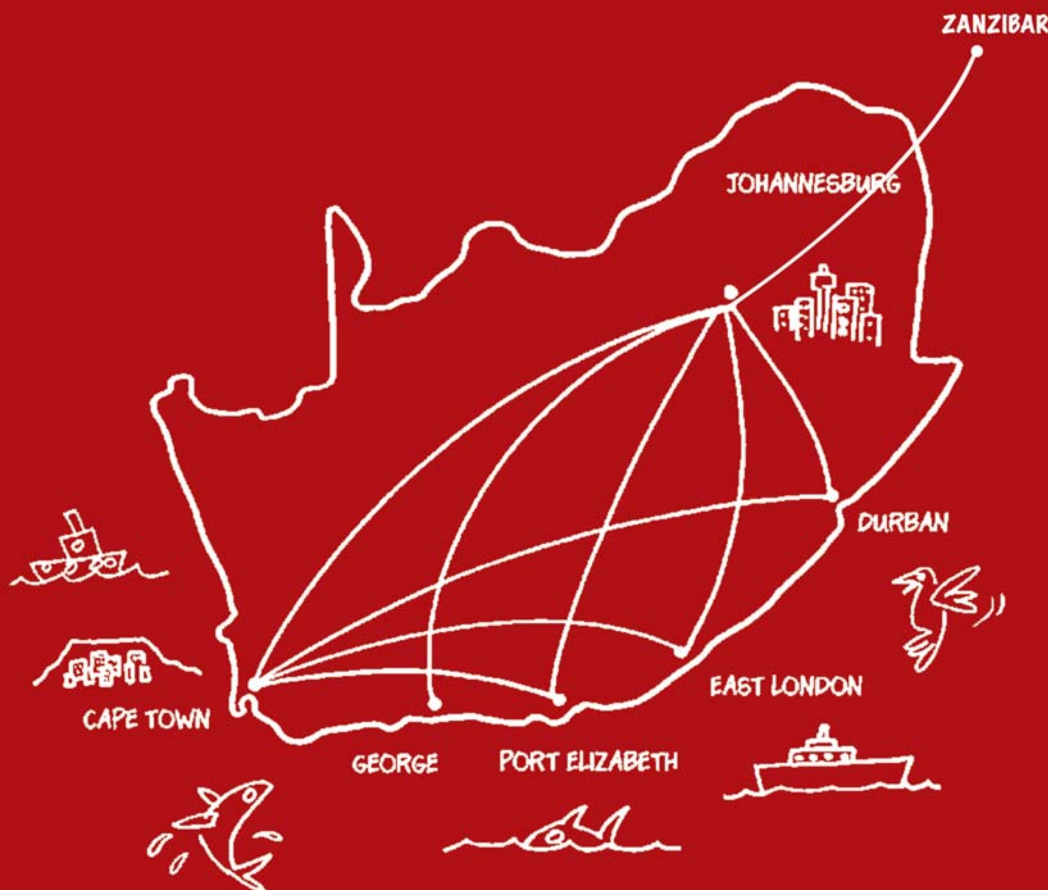
Earnings per share	10%
Headline earnings per share	47%
Revenue growth	36%
Passenger growth	34%

Statistics

Group revenue	R674 million
Airline passengers	1 365 000
Airline seat capacity	1 650 000
Load factor	83%
Flights operated	11 720
Employees	732
Group aircraft fleet	12

1time airline route map

A fleet of eight aircraft, operating up to 1 000 flights a month on the following routes: Between Johannesburg and Cape Town, Durban, East London, George, Port Elizabeth and Zanzibar; and between Cape Town and Durban, East London and Port Elizabeth.



Group structure

1time holdings Limited
A diversified aviation group

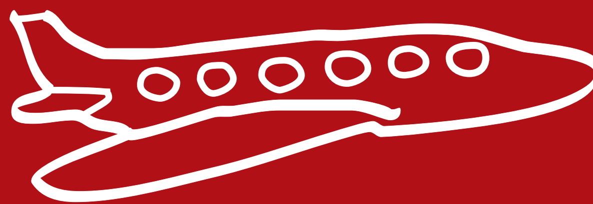
1time airline (Pty) Limited
South Africa's first genuine low-fare airline – "More Nice. Less Price". Since inception in February 2004, the airline has grown into a fleet of eight aircraft, operating up to 1 000 flights a month.

1time charters (Pty) Limited
An air charter service comprising a fleet of four aircraft, operating unscheduled flights domestically and into Africa. This air charter service caters for private groups, corporate groups, sporting teams and governments, to name a few.

Aeronexus Corporate (Pty) Limited
Manages and operates a luxuriously configured B727VIP jet. The jet is chartered globally for heads of state, world leaders and high-powered businessmen.

Aeronexus Technical (Pty) Limited
A comprehensive aircraft maintenance service company specialising in narrow-body jet aircraft since 1994. The facility performs flight line technical services, refurbishment and heavy maintenance checks on 1time aircraft and third-party airlines.

Directorate



1 Sipho Twala – Chairman (50), BCom, HDip CO
2 Gavin Harrison – CEO 1time charters (49), ALTP
3 Glenn Orsmond – Group CEO (45), BCom, CA(SA)
4 Michael Kaminski – Group IT Director (36), BCom, HCSE
5 Michael Snyman – Group Financial Director (26), BCom, CA(SA)
6 Rodney James – CEO 1time airline (48)
7 Sven Petersen – CEO Aeronexus Technical (49), ALTP
8 Tania Matsinhe – Independent Non-executive Director (32), MBA, MEcon, BA

Four-year review

	2007 Actual R'000	2006 Restated R'000	2005 Restated R'000	2004 Restated R'000
Group income statement				
Revenue	**674 606**	496 221	373 690	182 113
Operating costs	**636 583**	460 862	386 298	181 686
Operating profit	**38 023**	35 359	(12 608)	427
Net finance costs	**2 432**	2 630	179	(1)
Net profit before tax	**35 591**	32 729	(12 787)	428
Taxation	**7 013**	8 257	(1 555)	(241)
Net profit after tax	**28 578**	24 472	(11 232)	669
Group balance sheet				
Aircraft assets	**222 117**	84 772	42 625	14 429
Other fixed assets	**15 373**	12 115	12 907	7 427
Current assets	**96 113**	69 189	34 650	41 086
	333 603	166 076	90 182	62 942
Shareholder funds	**104 906**	38 159	2 772	9 487
Non-current liabilities	**49 109**	35 521	22 727	20 854
Current liabilities	**179 588**	92 396	64 683	32 601
	333 603	166 076	90 182	62 942
Salient features				
Operating margin (%)	**5,6**	7,1	(3,4)	0,2
Earnings per share (cents)	**14,9**	13,6	(6,2)	0,4
Headline earnings per share (cents)	**15,7**	10,7	(7,2)	3,1
Weighted ordinary shares issued	**191 260 274**	180 000 000	180 000 000	180 000 000
Available seats	**1 650 000**	1 252 000	1 067 000	451 000
Passengers	**1 365 000**	1 020 000	877 000	386 000
Load factor (%)	**83**	81	82	86
Sectors flown	**11 720**	9 305	8 691	4 075
Average fuel price per litre	**4,17**	3,77	3,05	2,28
Cash	**25 890**	33 588	20 285	13 318
Depreciation	**13 220**	8 065	4 674	2 090

1time airline™

MORE NICE. LESS PRICE.™


1time.co.za


1time.co.za

Chairman and CEO report

It gives us great pleasure to announce our maiden results since listing during August 2007. The financial year to 31 December 2007 was characterised by exceptional growth and award-winning performance for customer service.

Sipho Twala
Chairman

Glenn Orsmond
Group CEO

Financial performance

The Group performed well to increase revenue by 36% from R496 million in 2006 to R674 million for the year under review. Revenue growth was achieved in 1time airline and Aeronexus Technical, the aircraft maintenance business.

Attributable earnings increased from R24,5 million in 2006 to R28,6 million in 2007 and headline earnings per share from 8,51 cents (before restated as per prospectus) in 2006 to 15,7 cents for the year under review.

Cash flow generated from operations remained strong at R63,7 million for the year compared to R35,7 million for 2006. Cash generated has largely been invested to acquire four additional MD80 aircraft.

Average fuel prices for 2007 increased by 40 cents per litre translating to a R35,8 million fuel price increase for the year. These cost increases have been recouped through revenue growth achieved on higher passenger volumes and yield growth.

Chairman and CEO report continued

Change in accounting policy

Previously the Group did not provide for depreciation on aircraft and instead provided for the aircraft value diminution through maintenance expenses. Upon review of IAS 16: Property, Plant and Equipment and in response to suggestions made by institutional investors, the Group has revised its policy to provide for a depreciation expense in accordance with the stipulation of IAS 16 instead of through a maintenance expense account.

The change in accounting policy has increased the depreciation expense for 2007 by R9,5 million (prior year R4,7 million) and reduced the maintenance expense by R9,7 million (prior year R8,7 million).The restated earnings per share for 2006 has increased from 11,4 cents to 13,6 cents and headline earnings per share from 8,5 cents to 10,7 cents.

Listing

1time holdings Limited successfully listed on the JSE AltX on 14 August 2007 with the private placement of 60 million ordinary shares well oversubscribed. The listing achieved the desired results, raising capital to fund growth, increasing corporate awareness of the 1time brand and attracting strong institutional and public support.

Market environment

The domestic air travel market has continued with the average 15% growth a year achieved for the past six years. 1time airline has achieved significant market share growth, with passenger volumes increasing by 34% in 2007.

State-subsidised Mango and SAA continue to distort the market by selling below cost in an attempt to retain market share.

The anti-competitive exclusivity agreement between Comair and Lanseria Airport also retards fair competition.

1time commenced its first regional route with flights between Johannesburg and Zanzibar in November 2007. Expansion into lucrative routes into Africa is still retarded by outdated bilateral agreements designed to protect weak state-subsidised airlines instead of offering affordable air travel to stimulate tourism and business markets in Africa.

Aircraft fleet

1time airline made significant progress in its fleet upgrade programme by becoming the first privately owned airline in South Africa with a full stage three noise- and emission-compliant airline fleet by financial year-end. The standardised fleet of eight MD80 type aircraft contributed largely towards 1time achieving the lowest seat kilometre costs in South Africa. The four DC9 aircraft will be dedicated to the 1time charter fleet early in 2008. Demand for charter services remains high.

Service standards

1time airline became the first airline in South Africa to win five Feather Awards in one year, by winning the best airline award in Cape Town, East London, Port Elizabeth, George and Durban during 2007. These ACSA awards are based on the results of independent passenger surveys at all airports regarding all aspects of customer service, including on-time departure, check-in time, baggage handling and friendly on-board service. These awards are very encouraging in keeping the 1time brand promise "More Nice. Less Price".

Ancillary revenue

During the year, 1time further strengthened its partnership relationships with Avis Car Rental, City Lodge and Express Air Services to generate significant ancillary revenue. The 1time website attracts over 900 000 hits a month creating opportunities to feed additional sources of ancillary revenue in the future.

Chairman and CEO report continued

Aeronexus Technical

Aeronexus Technical performed exceptionally well in the year under review. Revenue generated from third-party aircraft maintenance services increased to R39,5 million for the year. The company successfully tendered for the lease of 12 000 m^2 land adjacent to its hanger facility at O.R. Tambo International Airport. This land will be used to expand the maintenance capacity during the second half of 2008.

Naturelink

As advised on 13 November 2007, 1time holdings concluded heads of agreement with Safair relating to the acquisition of a 60% interest in Naturelink Aviation (Pty) Limited. Negotiations were terminated subsequent to this report.

Dividend policy

In line with the Group's strategy to reinvest in the Group in order to sustain growth, no dividend has been declared. The dividend policy of 1time holdings will be reviewed annually in light of the Group's cash flow, gearing and capital requirements.

Basis of preparation of audited results

The consolidated financial statements for the year ended 31 December 2007 have been prepared in accordance with International Financial Reporting Standards and the South African Companies Act.

Audited results

The results have been audited by Nexia HBLT Chartered Accountants (East Rand) Inc.

Prospects

The weakening rand will negatively impact the airline business but will have a positive impact on the maintenance and charter businesses.

The steep increase in the price of oil during the first quarter of 2008 is a serious concern and will have a major negative impact on first-half earnings for the airline as the market takes time to adjust to the higher rand fuel prices and associated higher airfares.

Prospects for revenue growth in 2008 remain positive for the airline, maintenance and charter businesses, despite the expected slowdown in GDP growth resulting from the negative impact of higher interest rates and the electricity crisis.

Appreciation

On behalf of the Board we wish to express our sincere thanks and appreciation to our managers, employees, partners and, most of all, our loyal passengers.

Sipho Twala
Chairman

31 March 2008

Glenn Orsmond
Group CEO

31 March 2008


THERE ARE TWO KINDS OF LOW COST FLIGHTS TO JOBURG.
Enjoy a nice, comfortable low cost flight to Joburg in our leather seats with decent legroom.
MORE NICE. LESS PRICE.™
1time airline™

1time charters

Corporate governance

The Board is committed to conduct the business of the Group in accordance with the principles of independence, transparency, accountability, responsibility and fairness. Accordingly, the Board supports the principles of good corporate governance as set out in King II and the provisions of the Listing Requirements of the JSE.

Board of directors

The company has a unitary board structure with several subcommittees of the Board.

The Board comprises six executive directors and two independent non-executive directors. The Chairman is an independent non-executive director and the role of the Chairman and the Chief Executive Officer is separate. The daily management of the Group's affairs is the responsibility of the Chief Executive Officer, who coordinates the implementation of Board policy through the subsidiary boards of directors.

The subsidiary companies each have a board and the directors hold monthly operational Board meetings reporting to the Holdings Board. The Holdings Board meets for four scheduled Board meetings a year as well as special Board meetings should the need arise.

The Board is considered appropriately skilled and experienced to meet its responsibilities and performs the functions required by a board. The Board provides strategic direction for the Group, identifies key risk areas, reviews financial performance, approves major capital expenditure, approves the annual budget and approves the Group's annual financial statements.

The Board meetings are also attended by representatives from Exchange Sponsors, the company's designated advisor, in accordance with the JSE Listing Requirements.

Audit and risk committee

The audit and risk committee comprises two independent non-executive directors (Sipho Twala and Tania Matsinhe). The audit committee meets at least twice a year. The external auditors and designated advisors have unrestricted access to attend the committee meetings. The Financial Director and executive managers of finance for all subsidiaries attended the meetings by invitation.

The committee functions include:

- approve the audit plan;
- recommend external auditor appointment;
- recommend and review approval of the annual budget;
- recommend and review approval of annual financial statements;
- review external auditor reports to management;
- review internal controls; and
- identify and assess management of key risks in the business.

Remuneration committee

The remuneration committee comprises two non-executive directors (Sipho Twala and Tania Matsinhe). The committee meets once a year to review and recommend remuneration for executive directors and to review progress made on the Group employment equity programme.

External audit

The Group external auditors provide an independent assessment of the Group's internal control systems and an independent opinion on the annual financial statements. The external auditors attend the audit and risk committee and have direct access to the chairman of the audit committee. The external audit function offers reasonable, but not absolute, assurance on the accuracy of financial disclosure.

Corporate governance continued

Employment equity

The Group is committed to the principles and goals of employment equity. Various initiatives have been undertaken to achieve improved representation of designated groups at all levels. At year-end the Group had 732 employees of which 35,5% are black and 43% are female.

Rotation of directors

In terms of the articles of association, at the annual general meeting held each year, one-third of the directors retire from office and are subject to re-election by the shareholders.

Internal controls

The Board of directors is responsible for the Group's systems of internal control. To fulfil its responsibilities, management maintains accounting records and continues to maintain appropriate systems of internal controls.

The internal controls and systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements and to safeguard, verify and maintain accountability of its assets and to detect and minimise fraud, potential liability, loss and material misstatements while complying with the applicable laws and regulations.

The company's external auditors consider the internal control systems of the company as part of their audit and advise of deficiencies when identified.

Going concern

The annual financial statements set out on pages 20 to 49 have been prepared on the going-concern basis since the directors have every reason to believe that the company and Group have adequate resources in place to continue to operate for the foreseeable future.

Company Secretary

All directors have access to the advice and services of the suitably qualified Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that the applicable terms of the legislation and regulatory requirements of the Republic of South Africa are met. The directors are entitled to obtain independent professional advice, at the company's expense, regarding any matter.

The directors of the company keep the Company Secretary advised of all their dealings in securities. The Company Secretary monitors that the directors receive approval from the Chairman and a designated director, for any dealings in securities and ensures adherence to closed periods for share trading.

Code of conduct

The Board, managers and employees are subject to a code of conduct, which forms the basis of the ethics and behaviour expected when dealing with all stakeholders of the Group.

Social responsibility

We acknowledge our social responsibility towards the communities in which we operate and deserving institutions at large. Our programmes during the year range from assisting underprivileged musicians and sportsmen to caring for abused and abandoned wildlife. We commit to further extend these and more programmes in the years to come.

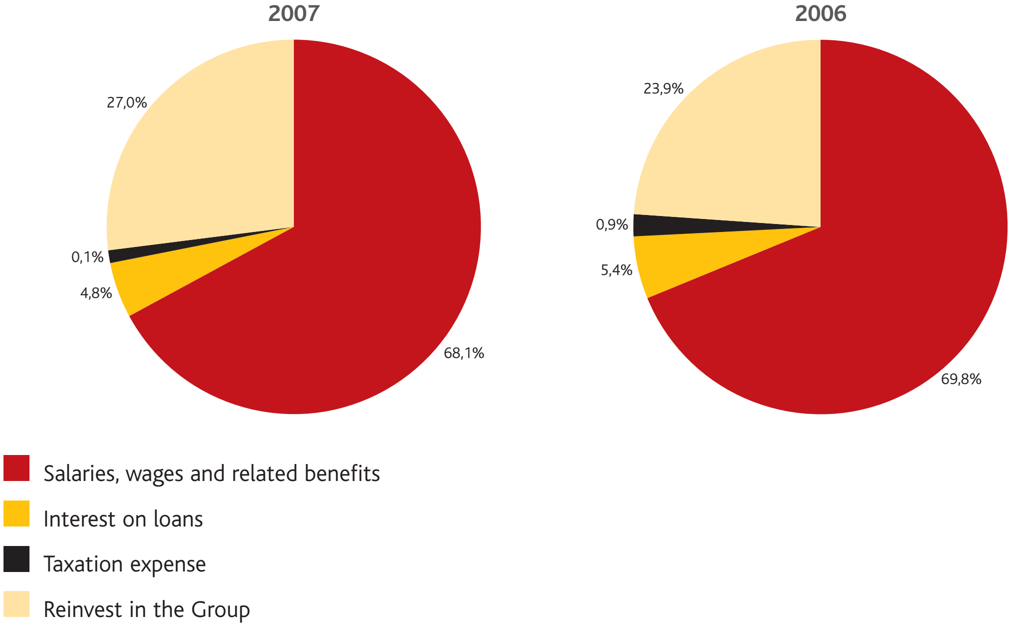
aeronexus

Technical (Pty) Ltd


1time.co

Group value added statement

	2007 R'000	%	2006 R'000	%
Wealth created				
Group revenue	**674 606**		496 221	
Cost of materials and services	**(524 737)**		(401 038)	
Value added	**149 869**		95 183	
Interest income	**4 928**		2 641	
Total value added	**154 797**		97 824	
Wealth distributed				
Employees				
Salaries, wages and related benefits	**105 433**	**68,1**	68 338	69,8
Providers of capital				
Interest on loans	**7 360**	**4,8**	5 272	5,4
Government				
Taxation expense	**206**	**0,1**	865	0,9
Reinvest in the Group	**41 798**	**27,0**	23 349	23,9
Depreciation	**13 220**		8 065	
Retained income	**28 578**		15 284	
	154 797	**100**	97 824	100



Financial statements

Directors' statement of responsibility

The directors are required by the Companies Act of South Africa, 1973, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risks cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast for the year to 31 December 2008 and, in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

Although the Board is primarily responsible for the financial affairs of the Group, they are supported by the Group's external auditors.

The external auditors are responsible for independently reviewing and reporting on the Group's annual financial statements. The annual financial statements have been examined by the Group's external auditors and their report is presented on page 21.

The annual financial statements set out on pages 20 to 49, which have been prepared on the going-concern basis, were approved by the Board on 31 March 2008 and were signed on its behalf by:

GW Orsmond
Group CEO
31 March 2008

SM Twala
Chairman

Statement of Company Secretary

I, Michael Snyman, the Company Secretary of 1time holdings Limited, certify that all returns required of a public company have, in respect of the financial year under review, been lodged with the Registrar of Companies and that all such returns are true, correct and up to date.

M Snyman
Company Secretary
31 March 2008

Report of the independent auditors

To the shareholders of 1time holdings Limited and its subsidiaries

We have audited the accompanying annual financial statements of 1time holdings Limited and its subsidiaries, which comprise the directors' report, the balance sheet as at 31 December 2007, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 30 to 34.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa, 1973. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa, 1973.

Nexia HBLT.

Nexia HBLT Chartered Accountants (East Rand) Incorporated
Chartered Accountants (SA)
Registered Auditors

Per: **L Terblanche**
17 April 2008
No 9 and 11 Lakeside Place, Kleinfontein Ext 2,
Benoni 1501

Directors' report

Nature of business

1time holdings Limited is the holding company of an aviation-focused group with four wholly owned subsidiaries; a low-fare airline, an aircraft maintenance business, an air charter business and a VIP charter business.

1time airline is a low-fare airline flying nine routes in the South African domestic market. 1time operates 1 000 flights a month and carried 1,3 million passengers during 2007, operating a standard fleet of eight stage-three MD80 type aircraft. The airline has positioned itself around the "More Nice. Less Price." slogan to offer the lowest prices and the best service.

Aeronexus Technical provides comprehensive maintenance services for 1time airline's fleet as well as other African and Middle East operators. Aeronexus operates from a two-bay hanger facility at O.R. Tambo International airport where it has developed a market niche for maintenance of narrow-body jets offering competitive pricing and quality maintenance work.

1time charters operates a fleet of four DC9 aircraft for charters and aircraft, maintenance, crew and insurance contracts to a variety of customers including governments, corporate clients, sports bodies and other airlines. It also manages and operates a B727 VIP jet on behalf of the Djibouti Government through wholly owned subsidiary Aeronexus Corporate.

Financial results

For the period ending 31 December 2007, the Group achieved attributable earnings of R28,6 million (prior year R24,5 million). Full details of the financial results are set out on pages 20 to 49 of the annual financial statements. Headline earnings per share have increased by 47% from 10,65 cents per share (restated) to 15,68 cents.

Dividends

No dividends have been declared as it is the intention of the company to consider a dividend policy once 1time has achieved mature growth after due consideration of prevailing circumstances and growth requirements.

Share capital

Prior to listing on 14 August 2007, the company performed a share split from 11 983 issued ordinary shares of R1 per share into 180 million issued ordinary shares of 0,01 cent per share. The authorised share capital was also increased from 100 000 ordinary shares of R1 each to 1 billion ordinary shares of 0,01 cent each.

On 14 August 2007, the company listed on the JSE AltX after raising R30 million from the private placement of the 30 million ordinary shares issued at a price of R1 per share to increase the issued share capital of the company from 180 million to 210 million ordinary shares.

Subsidiaries

Details of the company's subsidiaries are recorded in the notes to the annual financial statements.

Accounting policy

The Group had a change in its aircraft depreciation accounting policy. The impact on the results of the Group in adopting the above policy is reflected in note 2 to the annual financial statements.

Going concern

The annual financial statements have been prepared on the going-concern basis.

Subsequent events

Shareholders are referred to the cautionary announcement dated 13 November 2007 that 1time entered into heads of agreement with Safair (Pty) Limited in respect of the acquisition of a 60% interest in Naturelink Aviation (Pty) Limited. Negotiations have been terminated subsequent to this report.

Board of directors

Sipho Twala – appointed 27 December 2006
Glenn Orsmond – appointed 1 September 2003
Sven Petersen – appointed 8 May 2001
Gavin Harrison – appointed 8 May 2001
Rodney James – appointed 10 February 2000
Michael Kaminski – appointed 27 December 2006
Michael Snyman – appointed 1 June 2007
Grant Wishart – appointed 27 December 2006, resigned 24 October 2007
Rory Loader – appointed 27 December 2006, resigned 24 October 2007
Tania Matsinhe – appointed 28 March 2008.

Directors' report continued

Directors' interest in share capital

	Beneficiary Direct 2008	Beneficiary Indirect 2008	Beneficiary Direct 2007	Beneficiary Indirect 2007	% held
Sipho Twala	–	1 608 963	–	–	0,6
Glenn Orsmond	21 775 881	–	27 445 314	–	10,4
Rodney James	21 775 881	–	27 445 314	–	10,4
Sven Petersen	21 775 881	–	27 445 314	–	10,4
Gavin Harrison	21 775 881	–	27 445 314	–	10,4
Michael Kaminski	–	21 741 316	–	27 401 750	10,4
	87 103 524	23 350 279	109 781 256	27 401 750	52,6

The directors did not trade in any shares from date of listing to the end of reporting period.

Directors' remuneration

Figures in rand	Directors' fees	Remuneration	Bonuses	Medical and life assurance	Total
Non-executive					
Sipho Twala	113 000	–	–	–	113 000
Grant Wishart	35 000	–	–	–	35 000
Rory Loader	5 000	–	–	–	5 000
Executive					
Glenn Orsmond	–	1 440 000	–	46 524	1 486 524
Rodney James	–	1 440 000	–	53 964	1 493 964
Sven Petersen	–	1 440 000	–	45 594	1 485 594
Gavin Harrison	–	1 440 000	–	42 078	1 482 078
Michael Kaminski	–	1 440 000	–	19 905	1 459 905
Michael Snyman	–	385 000	200 000	10 670	595 670

Group Secretary

Michael Snyman BCom, CA(SA)

Group auditors

Nexia HBLT Chartered Accountants (East Rand) Inc
PO Box 663
Benoni 1500

Balance sheet

for the year ended 31 December 2007

Figures in rand	Notes	Group 2007	Group 2006	Company 2007	Company 2006
Assets					
Non-current assets					
Investment property	4	**985 800**	985 800	**985 800**	985 800
Property, plant and equipment	5	**12 333 013**	7 825 436	**–**	–
Goodwill	6	**2 053 366**	2 053 366	**–**	–
Aircraft	7	**222 116 938**	84 772 317	**–**	–
Investments in subsidiaries	8	**–**	–	**20 074 883**	20 074 783
Investments	10	**–**	1 250 000	**–**	1 250 000
		237 489 117	96 886 919	**21 060 683**	22 310 583
Current assets					
Inventories	12	**39 378 948**	11 809 445	**–**	–
Loans to group companies	9	**–**	–	**22 401 549**	1 000 000
Trade and other receivables	13	**30 845 377**	23 791 448	**1 260 924**	6 103 703
Cash and cash equivalents	14	**25 889 064**	33 588 240	**11 239 955**	5 382 171
		96 113 389	69 189 133	**34 902 428**	12 485 874
Total assets		**333 602 506**	166 076 052	**55 963 111**	34 796 457
Equity and liabilities					
Equity					
Share capital	15	**46 755 437**	18 741 100	**46 755 437**	18 741 100
Reserves		**17 634 924**	7 481 122	**–**	–
Retained income		**40 515 184**	11 937 090	**1 847 978**	1 589 671
		104 905 545	38 159 312	**48 603 415**	20 330 771
Liabilities					
Non-current liabilities					
Instalment sale agreements	17	**26 803 925**	24 171 402	**1 788 550**	1 279 317
Deferred tax	11	**22 304 710**	11 350 032	**–**	–
		49 108 635	35 521 434	**1 788 550**	1 279 317
Current liabilities					
Loans from Group companies	9	**–**	–	**3 005 016**	7 449 319
Current tax payable		**279 533**	559 740	**–**	–
Instalment sale agreements	17	**55 978 776**	12 723 212	**2 409 642**	5 282 151
Trade and other payables	19	**97 801 280**	59 961 303	**156 488**	454 899
Unused ticket liability	18	**25 528 737**	17 880 965	**–**	–
Bank overdraft	14	**–**	1 270 086	**–**	–
		179 588 326	92 395 306	**5 571 146**	13 186 369
Total liabilities		**228 696 961**	127 916 740	**7 359 696**	14 465 686
Total equity and liabilities		**333 602 506**	166 076 052	**55 963 111**	34 796 457

Income statement

for the year ended 31 December 2007

Figures in rand	Notes	Group 2007	Group 2006	Company 2007	Company 2006
Revenue	20	**674 606 422**	496 221 067	**218 534**	1 041 439
Operating costs		**(636 583 697)**	(460 862 161)	**(349 812)**	(785 691)
Operating profit	21	**38 022 725**	35 358 906	**(131 278)**	255 748
Investment revenue	22	**4 928 369**	2 641 303	**704 658**	3 668 523
Finance costs	24	**(7 359 961)**	(5 271 576)	**(315 073)**	(285 962)
Profit before taxation		**35 591 133**	32 728 633	**258 307**	3 638 309
Taxation	25	**(7 013 039)**	(8 256 549)	**–**	(250 000)
Profit for the year		**28 578 094**	24 472 084	**258 307**	3 388 309
Attributable to:					
Equity holders of the parent		**28 578 094**	17 284 329	**258 307**	3 388 309
Minority interest		**–**	7 187 755	**–**	–
Total profit for the year		**28 578 094**	24 472 084	**258 307**	3 388 309
Earnings per share (cents)		**14,94**	13,60	**–**	–

Statement of changes in equity

for the year ended 31 December 2007

Figures in rand	Share capital	Share premium	Total share capital	Shareholders' loans
GROUP				
Opening balance as previously reported	100	–	100	4 000 000
Change in accounting policy	–	–	–	–
Balance at 1 January 2006 as restated	100	–	100	4 000 000
Profit for the year	–	–	–	–
Shares issued	11 883	16 229 117	16 241 000	–
Shareholders' loans converted	–	2 500 000	2 500 000	(2 500 000)
Shareholders' loans repaid	–	–	–	(200 000)
Shareholders' loans raised	–	–	–	2 000 000
Revaluation	–	–	–	–
Deferred tax on revaluation	–	–	–	–
Dividends	–	–	–	–
Minority interest acquired	–	–	–	–
Balance at 1 January 2007	11 983	18 729 117	18 741 100	3 300 000
Profit for the year	–	–	–	–
Issue of shares	9 017	29 990 983	30 000 000	–
Costs relating to listing of company	–	(1 985 663)	(1 985 663)	–
Revaluation	–	–	–	–
Deferred tax on revaluation	–	–	–	–
Balance at 31 December 2007	**21 000**	**46 734 437**	**46 755 437**	**3 300 000**
Notes	15	15	15	
COMPANY				
Balance at 1 January 2006	100	–	100	–
Profit for the year	–	–	–	–
Issue of shares	11 883	18 729 117	18 741 000	–
Dividends	–	–	–	–
Balance at 1 January 2007	11 983	18 729 117	18 741 100	–
Profit for the year	–	–	–	–
Issue of shares	9 017	29 990 983	30 000 000	–
Costs relating to listing of company	–	(1 985 663)	(1 985 663)	–
Balance at 31 December 2007	**21 000**	**46 734 437**	**46 755 437**	**–**
Notes	15	15	15	

Statement of changes in equity continued

for the year ended 31 December 2007

Revaluation reserve	Total reserves	Retained income	Total attributable to equity holders of the Group/company	Minority interest	Total equity
3 533 675	7 533 675	(4 761 536)	2 772 239	–	2 772 239
4 197 845	4 197 845	1 414 297	5 612 142	820 362	6 432 504
7 731 520	11 731 520	(3 347 239)	8 384 381	820 362	9 204 743
–	–	17 284 329	17 284 329	7 187 755	24 472 084
–	–	–	16 241 000	–	16 241 000
–	(2 500 000)	–	–	–	–
–	(200 000)	–	(200 000)	–	(200 000)
–	2 000 000	–	2 000 000	–	2 000 000
3 252 955	3 252 955	–	3 252 955	–	3 252 955
(3 186 207)	(3 186 207)	–	(3 186 207)	–	(3 186 207)
–	–	(2 000 000)	(2 000 000)	–	(2 000 000)
(3 617 146)	(3 617 146)	–	(3 617 146)	(8 008 117)	(11 625 263)
4 181 122	7 481 122	11 937 090	38 159 312	–	38 159 312
–	–	28 578 094	28 578 094	–	28 578 094
–	–	–	30 000 000	–	30 000 000
–	–	–	(1 985 663)	–	(1 985 663)
14 301 129	14 301 129	–	14 301 129	–	14 301 129
(4 147 327)	(4 147 327)	–	(4 147 327)	–	(4 147 327)
14 334 924	**17 634 924**	**40 515 184**	**104 905 545**	**–**	**104 905 545**
16					
–	–	201 362	201 462	–	201 462
–	–	3 388 309	3 388 309	–	3 388 309
–	–	–	18 741 000	–	18 741 000
–	–	(2 000 000)	(2 000 000)	–	(2 000 000)
–	–	1 589 671	20 330 771	–	20 330 771
–	–	258 307	258 307	–	258 307
–	–	–	30 000 000	–	30 000 000
–	–	–	(1 985 663)	–	(1 985 663)
–	**–**	**1 847 978**	**48 603 415**	**–**	**48 603 415**
16					

Cash flow statement

for the year ended 31 December 2007

		Group		Company	
Figures in rand	**Notes**	**2007**	**2006**	**2007**	**2006**
Cash flows from operating activities					
Cash receipts from customers		**667 552 493**	480 789 270	**–**	18 000
Cash paid to suppliers and employees		**(603 887 562)**	(445 051 779)	**4 413 090**	(6 155 460)
Cash generated from/(used in) operations	27	**63 664 931**	35 737 491	**4 413 090**	(6 137 460)
Interest income		**4 928 369**	2 641 303	**704 658**	68 523
Dividends received		**–**	–	**–**	3 600 000
Finance costs		**(7 359 961)**	(5 271 576)	**(315 073)**	(285 962)
Tax paid	28	**(485 896)**	(743 449)	**–**	(250 000)
Net cash from operating activities		**60 747 443**	32 363 769	**4 802 675**	(3 004 899)
Cash flows from investing activities					
Purchase of property, plant and equipment	5	**(8 542 604)**	(2 640 842)	**–**	–
Sale of property, plant and equipment	5	**5 238**	36 166	**–**	–
Additions to investment property	4	**–**	(90 800)	**–**	(90 800)
Purchase of aircraft	7	**(135 777 255)**	(47 594 040)	**–**	–
Sale of engine	7	**–**	3 971 013	**–**	–
Sale/(purchase) of investment		**1 250 000**	(1 250 000)	**1 250 000**	(1 250 000)
Net cash from investing activities		**(143 064 621)**	(47 568 503)	**1 250 000**	(1 340 800)
Cash flows from financing activities					
Proceeds on share issue	15	**30 000 000**	18 741 000	**30 000 000**	11 983
Movement in loans with Group companies		**–**	–	**(27 831 615)**	5 144 243
Repayment of shareholders' loan		**–**	(700 000)	**–**	–
Instalment sale agreement raised		**93 843 880**	20 753 895	**–**	6 561 469
Instalment sale agreements repaid		**(47 955 792)**	(9 057 031)	**(2 363 276)**	–
Dividends paid	29	**–**	(2 000 000)	**–**	(2 000 000)
Net cash from financing activities		**75 888 088**	27 737 864	**(194 891)**	9 717 695
Total cash movement for the year		**(6 429 090)**	12 533 130	**5 857 784**	5 371 996
Cash at the beginning of the year		**32 318 154**	19 785 024	**5 382 171**	10 175
Total cash at the end of the year	14	**25 889 064**	32 318 154	**11 239 955**	5 382 171

Segmental report

for the year ended 31 December 2007

Figures in rand	2007	2006
Consolidated revenue		
Airline		
External revenue	630 539 304	465 764 161
Intercompany revenue	–	289 540
Technical		
External revenue	39 569 402	16 735 479
Intercompany revenue	82 972 336	49 286 048
Charters		
External revenue	11 705 876	13 721 427
Intercompany revenue	4 497 716	2 416 893
Total revenue	769 284 634	548 213 548
Eliminations	(94 678 212)	(51 992 481)
Total	674 606 422	496 221 067
Segment result		
Airline	16 453 708	12 947 350
Charters	5 754 872	6 856 656
Technical	17 461 185	13 161 814
Eliminations	(1 647 040)	(714 058)
	38 022 725	32 251 762
Interest expense	7 359 961	5 271 576
Interest received	4 928 369	2 641 303
Taxation	7 013 039	8 256 549
Discount on purchase	–	3 107 144
	28 578 094	24 472 084
Other		
Airline		
Segment assets	308 020 939	132 233 585
Segment liabilities	204 971 507	93 752 900
Capital expenditure	134 785 070	1 040 658
Depreciation	9 875 331	6 224 362
Technical		
Segment assets	67 876 640	34 009 007
Segment liabilities	51 806 232	26 879 874
Capital expenditure	5 879 409	3 414 207
Depreciation	1 077 026	658 116
Charters		
Segment assets	46 924 768	40 498 642
Segment liabilities	18 167 567	17 569 698
Capital expenditure	4 333 961	3 580 230
Depreciation	3 673 567	1 202 860

Accounting policies

for the year ended 31 December 2007

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa, 1973. The annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

These accounting policies are consistent with the previous period, except for the changes set out in note 2 changes in accounting policy.

1.1 Significant judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the annual financial statements.

Debtors balances older than three months are regularly assessed by management and provided for at their discretion.

Allowance for slow-moving, damaged and obsolete stock

An allowance is made against slow moving, damaged and obsolete stock. Stock is written down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write-down is included in the operating profit note.

Fixed assets

Management has applied its judgement in assessing useful the life and residual value of property, plant and equipment including aircraft as presented in the accounting policies.

1.2 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequent to initial measurement investment property is measured at fair value. A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Accounting policies continued

Item	Average useful life
Leasehold property and improvements	10 years
Furniture and fixtures	6 years
Motor vehicles and office equipment	5 years
IT equipment	3 years
Computer software	2 years

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Goodwill

Goodwill is initially measured at cost, being the excess of the purchase consideration over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Subsequently, goodwill is carried at cost less any accumulated impairment.

The excess of the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss.

1.5 Aircraft

Aircraft are carried at revalued amount, being fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Any increase in the carrying amount of an intangible asset, as a result of a revaluation, is credited directly to equity in the revaluation reserve. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Depreciation is provided to write down the aircraft, on a straight-line basis, to their residual values as follows:

Item	Useful life
Aircraft	10 years
C Checks – aircraft maintenance	18 months

1.6 Investments in subsidiaries

Group annual financial statements

The Group annual financial statements include those of the holding company and its subsidiaries. The results of the subsidiaries are included from the effective date of acquisition.

On acquisition the Group recognises the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value, except for assets classified as held for sale, which are recognised at fair value less costs to sell.

Company annual financial statements

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.7 Financial instruments

Initial recognition

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Accounting policies continued

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Loans to/(from) Group companies, shareholders, directors, managers and employees
These include loans to holding companies, fellow subsidiaries, subsidiaries, and are recognised initially at fair value plus direct transaction costs.

Subsequently, these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risks of changes in value. These are initially and subsequently recorded at fair value.

1.8 Tax

Current tax assets and liabilities
Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities
A deferred tax liability is recognised for all temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction, which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability/asset is recognised for all temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- The parent, investor or venturer is able to control the timing of the reversal of the temporary difference.
- It is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period

Accounting policies continued

when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in equity; or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

Secondary taxation on companies is provided in respect of dividend payments net of dividends received and is recognised as a taxation charge for the year.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset/liability. This liability/asset is not discounted.

Any contingent rents are expensed in the period they are incurred.

Instalment sale agreement

Instalment sale agreements are recognised as assets and liabilities in the balance sheet at amounts equal to the fair value of the asset or, if lower, the present value of the minimum instalment payments. The corresponding liability to the lessor is included in the balance sheet as a instalment obligation.

The discount rate used in calculating the present value of the minimum instalment payments is the interest rate implicit in the agreement.

The instalment payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the instalment sale term so as to produce a constant periodic rate of on the remaining balance of the liability.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in first-out (FIFO) basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the FIFO formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

1.11 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

Accounting policies continued

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- First, to reduce the carrying amount of any goodwill allocated to the cash-generating unit.
- Then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.14 Revenue

Revenue comprises all airline-related revenue earned. Revenue arising from the provision of transportation services to passengers is recognised on an accrual basis in the period in which the services are rendered. The services not rendered at year-end are not recognised as revenue and will therefore be shown as an unused ticket liability.

Maintenance revenue is recognised by reference to the stage of completion of the transaction at balance sheet date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Revenue is measured at the fair value of the consideration received.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.15 Translation of foreign currencies

A foreign currency transaction is recorded, on initial recognition in rands, by applying to the foreign currency the amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each balance sheet date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

1.16 Cash flow statement

The cash flow statement is prepared on the direct method.

1.17 Investment

Investments are carried at fair value. Where a reliable measure of fair value is not available, the investment will be carried at cost less accumulated impairment.

Notes to the annual financial statements continued

for the year ended 31 December 2007

2. Changes in accounting policy

Previously the Group did not provide for depreciation on aircraft as the residual value was estimated as being equal to or greater than the carrying value at each year-end. Upon review of IAS 16: Property, Plant and Equipment, the Group has determined the manner in which the residual value was calculated is not consistent with some of the requirements of IAS 16. The approach to calculate the residual value has been revised to correspond with the stipulations in IAS 16.

In addition, certain maintenance costs, which were previously expensed, but have now been capitalised if they meet the requirements for capitalisation in terms of IAS 16. Prior year figures have been restated accordingly.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 31 December 2007 is as follows:

	Group		Company	
Figures in rand	**2007**	**2006**	**2007**	**2006**
Balance sheet				
Accumulated depreciation				
Previously stated	**(33 081 065)**	(24 766 252)	**–**	–
Adjustment	**(9 493 512)**	(4 728 233)	**–**	–
	(42 574 577)	(29 494 485)	**–**	–
Goodwill				
Previously stated	**2 100 141**	2 100 141	**–**	–
Adjustment	**(46 775)**	(46 775)	**–**	–
	2 053 366	2 053 366	**–**	–
Deferred tax				
Previously stated	**–**	(6 785 514)	**–**	–
Adjustment	**–**	(4 564 518)	**–**	–
	–	(11 350 032)	**–**	–
Minority interest				
Adjustment	**–**	(820 362)	**–**	–
Revaluation reserve				
Previously stated	**(15 783 974)**	(5 244 605)	**–**	–
Adjustment	**1 449 050**	1 063 483	**–**	–
	(14 334 924)	(4 181 122)	**–**	–
Opening retained earnings				
Previously stated	**(7 839 187)**	4 761 536	**–**	–
Adjustment	**(4 097 903)**	(1 414 297)	**–**	–
	(11 937 090)	3 347 239	**–**	–

Notes to the annual financial statements continued

for the year ended 31 December 2007

Figures in rand	Group 2007	Group 2006	Company 2007	Company 2006
Income statement				
Depreciation for total property, plant and equipment				
Previously stated	**3 726 943**	3 336 440	–	–
Adjustment	**9 493 512**	4 728 233	–	–
	13 220 455	8 064 673	–	–
Discount on purchase				
Previously stated	–	(3 044 479)	–	–
Adjustment	–	(62 665)	–	–
	–	(3 107 144)	–	–
Maintenance expense				
Previously stated	**54 122 860**	52 933 264	–	–
Adjustment	**(9 659 626)**	(8 733 403)	–	–
	44 463 234	44 199 861	–	–
Minority interest				
Previously stated	–	(5 972 146)	–	–
Adjustment	–	(1 215 609)	–	–
	–	(7 187 755)	–	–
Taxation				
Previously stated	–	6 877 238	–	–
Adjustment	–	1 379 311	–	–
	–	8 256 549	–	–
Impairment				
Adjustment	**1 411 252**	4 918	–	–
Earnings per share				
Previously stated	–	11,43	–	–
Adjustment	–	2,17	–	–
	–	13,60	–	–
Headline earnings per share				
Previously stated	–	8,51	–	–
Adjustment	–	2,14	–	–
	–	10,65	–	–

Notes to the annual financial statements continued

for the year ended 31 December 2007

3. Statements and interpretations not yet effective

At the date of authorisation of these annual financial statements, the following standards and interpretations were in issue but not yet effective:

IAS 1: (amended), Presentation of Financial Statements, IFRS 8: Operating Segments, IAS 23: (amended) Borrowing Costs and IAS 32: Financial Instruments
The date by which the application of the standards or interpretation is required is annual periods beginning on or after 1 January 2009.

IFRS 3: Business Combinations, IAS 27: Consolidated and Separate Financial Statements, IAS 28: Investments in Associates and IAS 31: Interests in Joint Ventures (revised 2008)
The date by which the application of the standards or interpretation is required is annual periods beginning on or after 1 July 2009.

The statements mentioned above will be implemented on the effective date of implementation.

The statements are expected to mainly have an effect on presentation and disclosure on the annual financial statements.

4. Investment property

Figures in rand	2007 Cost/ valuation	2007 Accumulated depreciation	2007 Carrying value	2006 Cost/ valuation	2006 Accumulated depreciation	2006 Carrying value
GROUP						
Investment property	**985 800**	**–**	**985 800**	985 800	–	985 800

Reconciliation of investment property – 2006

	Opening balance	Costs capitalised	Total
GROUP AND COMPANY			
Investment property	895 000	90 800	985 800

Other disclosures
The land consists of Erf 1017 Clarens (extension 11).

Notes to the annual financial statements continued

for the year ended 31 December 2007

5. Property, plant and equipment

Figures in rand	2007 Cost/ valuation	2007 Accumulated depreciation	2007 Carrying value	2006 Cost/ valuation	2006 Accumulated depreciation	2006 Carrying value
GROUP						
Furniture and fixtures	2 749 805	(547 951)	2 201 854	1 524 913	(393 566)	1 131 347
IT equipment	7 029 071	(4 220 652)	2 808 419	4 643 828	(2 892 981)	1 750 847
Leasehold improvements	4 798 174	(3 771 021)	1 027 153	4 404 367	(2 650 513)	1 753 854
Leasehold property	2 459 407	(165 585)	2 293 822	518 239	(8 832)	509 407
Motor vehicles	2 066 506	(988 537)	1 077 969	1 751 092	(512 451)	1 238 641
Office equipment	1 051 277	(592 797)	458 480	932 677	(407 791)	524 886
Plant and machinery	3 495 385	(1 196 736)	2 298 649	1 529 793	(918 200)	611 593
Ramp equipment	275 000	(108 333)	166 667	494 559	(189 698)	304 861
Total	23 924 625	(11 591 612)	12 333 013	15 799 468	(7 974 032)	7 825 436

Reconciliation of property, plant and equipment – 2007

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
GROUP						
Furniture and fixtures	1 131 347	1 224 891	–	59	(154 443)	2 201 854
IT equipment	1 750 847	2 392 078	(5 238)	(1 097)	(1 328 171)	2 808 419
Leasehold improvements	1 753 854	393 807	–	–	(1 120 508)	1 027 153
Leasehold property	509 407	1 941 167	–	–	(156 752)	2 293 822
Motor vehicles	1 238 641	315 414	–	–	(476 086)	1 077 969
Office equipment	524 886	118 600	–	(59)	(184 947)	458 480
Plant and machinery	611 593	2 156 647	–	(191 055)	(278 536)	2 298 649
Ramp equipment	304 861	–	–	(110 694)	(27 500)	166 667
	7 825 436	8 542 604	(5 238)	(302 846)	(3 726 943)	12 333 013

Reconciliation of property, plant and equipment – 2006

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
GROUP						
Furniture and fixtures	1 064 835	235 604	–	–	(169 092)	1 131 347
IT equipment	2 205 672	872 217	(3 558)	–	(1 323 484)	1 750 847
Leasehold improvements	2 885 190	–	–	–	(1 131 336)	1 753 854
Leasehold property	–	518 239	–	–	(8 832)	509 407
Motor vehicles	999 324	556 101	(32 608)	–	(284 176)	1 238 641
Office equipment	766 421	9 129	–	(52 500)	(198 164)	524 886
Plant and machinery	341 439	449 552	–	–	(179 398)	611 593
Ramp equipment	294 319	–	–	52 500	(41 958)	304 861
	8 557 200	2 640 842	(36 166)	–	(3 336 440)	7 825 436

Notes to the annual financial statements continued

for the year ended 31 December 2007

6. Goodwill

Figures in rand	2007 Cost/ valuation	2007 Accumulated depreciation	2007 Carrying value	2006 Cost/ valuation	2006 Accumulated depreciation	2006 Carrying value
GROUP						
Goodwill	**2 053 366**	**–**	**2 053 366**	2 053 366	–	2 053 366

The cash-generating unit relating to goodwill is the business of Aeronexus Technical (Pty) Limited and 1time airline (Pty) Limited.

The total goodwill consists of R1 794 078 attributable to 1time airline (Pty) Limited and R259 288 to Aeronexus Technical (Pty) Limited.

The recoverable amount has been determined on the basis of value in-use calculations. The value in-use calculations use the cash flow projection method based on 2008 cash flow projections, discounted back at the weighted average cost of capital. The net asset value was then deducted from this value to give you the value in-use. Key assumptions used in the value in-use calculations include budgeted revenue streams. Such assumptions are based on historical results and adjusted for anticipated future growth.

Based on this calculation the recoverable amount was greater than the carrying value.

7. Aircraft

	2007 Cost/ valuation	2007 Accumulated depreciation	2007 Carrying value	2006 Cost/ valuation	2006 Accumulated depreciation	2006 Carrying value
GROUP						
Aircraft	**253 099 903**	**(30 982 965)**	**222 116 938**	106 292 770	(21 520 453)	84 772 317

Reconciliation of aircraft – 2007

	Opening balance	Additions	Transfers	Revaluations	Depreciation	Impairment loss	Total
GROUP							
Aircraft	**84 772 317**	**135 777 255**	**(1 829 000)**	**14 301 129**	**(9 493 512)**	**(1 411 251)**	**222 116 938**

Reconciliation of aircraft – 2006

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
GROUP						
Aircraft	42 624 568	47 594 040	(3 971 013)	3 252 955	(4 728 233)	84 772 317

Notes to the annual financial statements continued

for the year ended 31 December 2007

8. Investments in subsidiaries

Figures in rand	Holding 2007 %	Holding 2006 %	Carrying amount 2007	Carrying amount 2006
Name of company				
1time airline (Pty) Limited	**100**	100	**13 505 000**	13 505 000
Aeronexus Technical (Pty) Limited	**100**	100	**700 075**	700 075
1time charters (Pty) Limited	**100**	100	**5 769 608**	5 769 608
Aeronexus Corporate (Pty) Limited	**100**	100	**100 100**	100 100
			20 074 783	20 074 783

The carrying amounts of subsidiaries are shown net of impairment losses.

9. Loans to/from Group companies

	Group		Company	
Figures in rand	2007	2006	2007	2006
Subsidiaries				
1time airline (Pty) Limited				
The loan is unsecured, interest-free with no fixed terms of repayment	–	–	**19 303 852**	1 000 000
Aeronexus Technical (Pty) Limited				
The loan is unsecured, interest-free with no fixed terms of repayment	–	–	**3 097 697**	(3 022 303)
Aeronexus Corporate (Pty) Limited				
The loan is unsecured, interest-free with no fixed terms of repayment	–	–	**(1 061 408)**	(1 061 408)
1time charters (Pty) Limited				
The loan is unsecured, interest-free with no fixed terms of repayment	–	–	**(1 943 608)**	(3 365 608)
	–	–	**19 396 533**	(6 449 319)
Current assets	–	–	**22 401 549**	1 000 000
Current liabilities	–	–	**(3 005 016)**	(7 449 319)
	–	–	**19 396 533**	(6 449 319)

10. Investments

	Group 2007	Group 2006	Company 2007	Company 2006
Vigne d'or Properties (Pty) Limited				
The shares in Vigne d'or Properties (Pty) Limited were sold to the directors during the year	–	1 250 000	–	1 250 000
Non-current assets				
At fair value through profit or loss	–	1 250 000	–	1 250 000

The shares in Vigne d'or Properties (Pty) Limited were transferred to the directors during the year.

Notes to the annual financial statements continued

for the year ended 31 December 2007

11. Deferred tax

	Group		Company	
Figures in rand	**2007**	**2006**	**2007**	**2006**
Deferred tax liability				
Accelerated capital allowances for tax purposes	**(22 304 710)**	(11 350 032)	**–**	–
Reconciliation of deferred tax (liability)				
At the beginning of the year	**(11 350 032)**	(3 968 800)	**–**	–
Increase in tax losses available for set-off against future taxable income	**6 242 545**	118 765	**–**	–
Accelerated capital allowances	**(17 830 218)**	(5 801 603)	**–**	–
Originating temporary difference on revaluation on property, plant and equipment	**(3 191 386)**	(1 698 394)	**–**	–
Provisions	**4 580 630**	–	**–**	–
Prepayments	**(756 249)**	–	**–**	–
	(22 304 710)	(11 350 032)	**–**	–

12. Inventories

Aircraft spares	**38 818 688**	11 809 445	**–**	–
Catering stock	**560 260**	–	**–**	–
	39 378 948	11 809 445	**–**	–

Aircraft spares increased due to the acquisition of four aircraft during the year, which required holding additional aircraft spares.

13. Trade and other receivables

Trade receivables	**18 243 255**	9 927 344	**920 935**	486 768
Sundry debtors	**9 606 394**	4 017 871	**–**	–
Implicit interest adjustment	**(267 068)**	(224 836)	**–**	–
Prepayments	**3 262 796**	7 207 999	**–**	5 500 000
Value-added taxation	**–**	2 863 070	**339 989**	116 935
	30 845 377	23 791 448	**1 260 924**	6 103 703

Notes to the annual financial statements continued

for the year ended 31 December 2007

14. Cash and cash equivalents

	Group		Company	
Figures in rand	**2007**	**2006**	**2007**	**2006**
Cash and cash equivalents consist of:				
Bank balances	**24 751 826**	33 247 531	**11 239 955**	5 382 171
Bank overdraft	**–**	(1 270 086)	**–**	–
Cash on hand	**1 137 238**	340 709	**–**	–
	25 889 064	32 318 154	**11 239 955**	5 382 171
Current assets	**25 889 064**	33 588 240	**11 239 955**	5 382 171
Current liabilities	**–**	(1 270 086)	**–**	–
	25 889 064	32 318 154	**11 239 955**	5 382 171

15. Share capital

Authorised				
100 000 ordinary shares of R1 each	**–**	100 000	**–**	100 000
1 000 000 000 ordinary shares of 0,01 cent each	**100 000**	–	**100 000**	–
	100 000	100 000	**100 000**	100 000
Issued				
210 000 000 ordinary shares of 0,01 cent each	**21 000**	–	**21 000**	–
11 983 ordinary shares of R1 each	**–**	11 983	**–**	11 983
Share premium	**46 734 437**	18 729 117	**46 734 437**	18 729 117
	46 755 437	18 741 100	**46 755 437**	18 741 100

16. Shareholders' loans

Opening balance	**3 300 000**	4 000 000	**–**	–
Loans repaid	**–**	(700 000)	**–**	–
	3 300 000	3 300 000	**–**	–

The loan is unsecured, interest-free, with no fixed terms of repayment. The loan is subordinated to RMB Asset Finance Company for the period of five years, until such time as the finance agreement has been settled in total, therefore these loans are reflected as equity.

Notes to the annual financial statements continued

for the year ended 31 December 2007

17. Instalment sale agreements

	Group		Company	
Figures in rand	**2007**	**2006**	**2007**	**2006**
Minimum instalment payments due				
– within one year	**57 772 045**	16 841 316	**–**	–
– in second to fifth year inclusive	**36 873 563**	24 233 064	**–**	–
	94 645 608	41 074 380	**–**	–
Less: future finance charges	**(11 862 907)**	(4 179 766)	**–**	–
Present value of minimum instalment payments	**82 782 701**	36 894 614	**–**	–
Present value of minimum instalment payments due				
– within one year	**55 978 776**	12 723 212	**2 402 526**	5 282 151
– in second to fifth year inclusive	**26 803 925**	24 171 402	**1 795 666**	1 279 317
	82 782 701	36 894 614	**4 198 192**	6 561 468
Non-current liabilities	**26 803 925**	24 171 402	**1 788 550**	1 279 317
Current liabilities	**55 978 776**	12 723 212	**2 409 642**	5 282 151
	82 782 701	36 894 614	**4 198 192**	6 561 468

Included in the short-term portion are the following:

King Air Services (Pty) Limited
The loan is unsecured, interest-free with fixed repayments of R200 000 per month over 24 months and was repaid on 31 August 2007.

Morchester International Limited
The loan is unsecured, interest-bearing at the LIBOR rate plus 2% and is repayable on 30 June 2008 in one instalment.

Standard Bank
Secured assets bearing interest at an average interest rate of 10,93% per annum repayable in monthly combined instalments of R15 851 over a period of 48 to 60 months. Secured by assets with a book value of R865 904.

Rand Merchant Bank
Aircraft fixed-rate instalment sale agreements with RMB Asset Finance Limited. The loans bear interest at an average rate of 13,13% per annum repayable at R1 187 124 per quarter over five years. The loans are secured by two McDonnel Douglas MD82 aircraft with a book value of R50,4 million.

Volvo Aero Leasing
Aircraft and engine fixed-rate instalment sale agreements with Volvo Aero Leasing LLC. The loans are repayable in a combined monthly instalment of R2 168 508 over a period of 18 to 36 months. The loans are secured by three Volvo Engines and two MD87 aircraft with a combined book value of R98,9 million.

Safair (Pty) Limited
Aircraft fixed-rate instalment sale agreement with Safair (Pty) Limited. The loan is repayable at R1 164 397 per month over 24 months. The loan is secured by a MD82 aircraft with a book value of R30,5 million.

Pacific Aircorp
Aircraft fixed-rate instalment sale agreement with Pacific Aircorp 49440, LLC. The loan is repayable in monthly instalments of R57 155 over 18 months. The loan is secured by a MD82 aircraft with a book value of R31,2 million.

Notes to the annual financial statements continued

for the year ended 31 December 2007

18. Unused ticket liability

	Group		Company	
Figures in rand	**2007**	**2006**	**2007**	**2006**
Opening balance	**17 880 965**	21 508 512	**–**	–
Total tickets sold	**625 245 768**	461 057 605	**–**	–
Flown revenue	**(617 597 996)**	(464 685 152)	**–**	–
	25 528 737	17 880 965	**–**	–

19. Trade and other payables

Accruals	**13 017 219**	11 371 536	**156 488**	454 899
Implicit interest adjustment	**(408 242)**	(915 514)	**–**	–
Trade payables	**84 096 497**	47 736 141	**–**	–
Value-added taxation	**1 095 806**	1 769 140	**–**	–
	97 801 280	59 961 303	**156 488**	454 899

20. Revenue

Revenue	**677 698 700**	498 290 800	**218 534**	1 023 439
Rendering of services	**–**	–	**–**	18 000
Implicit interest adjustment	**(3 092 278)**	(2 069 733)	**–**	–
	674 606 422	496 221 067	**218 534**	1 041 439

21. Operating profit

Operating profit for the year is stated after accounting for the following:

Operating lease charges				
Premises	**2 010 870**	1 532 261	**–**	–
Motor vehicles	**4 906**	312	**–**	–
Equipment	**453 300**	208 309	**–**	–
Aircraft	**12 180 000**	12 180 000	**–**	–
	14 649 076	13 920 882	**–**	–
Discount on purchases	**–**	3 107 144	**–**	–
Impairment on aircraft	**1 411 252**	4 918	**–**	–
Depreciation on aircraft	**9 493 512**	4 728 233	**–**	–
Depreciation on property, plant and equipment	**3 726 943**	3 336 440	**–**	–
Employee costs	**105 433 157**	68 337 665	**257 508**	744 882
Profit on disposal of property, plant and equipment	**–**	2 202 545	**–**	–
General and administration costs	**29 306 754**	21 811 308	**–**	–
Costs relating to services	**501 843 786**	372 916 033	**349 812**	785 691

Notes to the annual financial statements continued

for the year ended 31 December 2007

22. Investment revenue

Figures in rand	Group 2007	Group 2006	Company 2007	Company 2006
Dividend revenue				
Subsidiaries – local	–	–	–	3 600 000
Interest revenue				
Bank	1 910 213	659 818	704 658	68 523
Implicit interest adjustment	3 018 156	1 981 485	–	–
	4 928 369	2 641 303	704 658	3 668 523

23. Impairment of assets

Figures in rand	Group 2007	Group 2006	Company 2007	Company 2006
Material impairment losses recognised				
Engines	1 411 252	4 918	–	–

24. Finance costs

Figures in rand	Group 2007	Group 2006	Company 2007	Company 2006
Non-current borrowings	6 426 063	2 610 819	311 282	271 596
Bank	672 078	1 125 655	3 791	334
South African Revenue Services	74 337	86 517	–	14 032
Implicit interest adjustment	187 483	1 448 585	–	–
	7 359 961	5 271 576	315 073	285 962

25. Taxation

Figures in rand	Group 2007	Group 2006	Company 2007	Company 2006
Major components of the tax expense				
Current				
Local income tax – current period	302 876	614 865	–	–
Prior-year adjustment	(97 187)	–	–	–
STC	–	250 000	–	250 000
	205 689	864 865	–	250 000
Deferred				
Originating and reversing temporary differences	6 807 350	7 391 684	–	–
	7 013 039	8 256 549	–	250 000

Notes to the annual financial statements continued

for the year ended 31 December 2007

25. Taxation continued

Figures in rand	Group 2007	Group 2006	Company 2007	Company 2006
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit	**35 591 133**	32 728 633	**258 307**	3 638 309
Tax at the applicable tax rate of 29% (2006: 29%)	**10 321 429**	9 491 304	**74 909**	1 055 109
Tax effect of adjustments on taxable income				
Permanent differences	**50 985**	(924 055)	**–**	–
Unused tax loss	**(3 359 375)**	(530 700)	**(74 909)**	(1 055 109)
Secondary tax on companies	**–**	250 000	**–**	250 000
	7 013 039	8 286 549	**–**	250 000

26. Auditors' remuneration

Figures in rand	Group 2007	Group 2006	Company 2007	Company 2006
Fees	**292 482**	126 590	**–**	–

27. Cash generated from/(used in) operations

Figures in rand	Group 2007	Group 2006	Company 2007	Company 2006
Profit before taxation	**35 591 133**	32 728 633	**258 307**	3 638 309
Adjustments for:				
Depreciation	**13 242 020**	8 080 420	**–**	–
Dividends received	**–**	–	**–**	(3 600 000)
Interest received	**(4 928 369)**	(2 641 303)	**(704 658)**	(68 523)
Finance costs	**7 359 961**	5 271 576	**315 073**	285 962
Impairment loss	**1 411 252**	4 918	**–**	–
Loss on foreign exchange differences	**124 618**	396 827	**–**	–
Discount on purchases	**–**	(3 107 144)	**–**	–
Profit on sale of assets	**–**	(2 202 845)	**–**	–
Changes in working capital				
Inventories	**(27 569 503)**	(5 803 801)	**–**	–
Trade and other receivables	**(7 053 930)**	(15 488 119)	**4 842 779**	(5 832 231)
Trade and other payables	**37 839 977**	22 125 874	**(298 411)**	(560 977)
Unused ticket liability	**7 647 772**	(3 627 545)	**–**	–
	63 664 931	35 737 491	**4 413 090**	(6 137 460)

Notes to the annual financial statements continued

for the year ended 31 December 2007

28. Tax paid

	Group		Company	
Figures in rand	**2007**	**2006**	**2007**	**2006**
Balance at the beginning of the year	**(559 740)**	(487 564)	**25 248**	–
Current tax for the year recognised in income statement	**(205 689)**	(815 625)	**–**	(250 000)
STC paid	**–**	–	**–**	25 248
Balance at end of the year	**279 533**	559 740	**(25 248)**	(25 248)
	(485 896)	(743 449)	**–**	(250 000)

29. Dividends paid

Dividends	**–**	(2 000 000)	**–**	(2 000 000)

30. Commitments

Operating leases

Minimum lease payments due				
– within one year	**6 000 000**	11 150 000	**–**	–
– in second to fifth year inclusive	**6 000 000**	12 180 000	**–**	–
	12 000 000	23 330 000	**–**	–

Operating lease payments represent rentals payable by the company for certain aircrafts. Leases are negotiated for an average term of three years. No contingent rent is payable.

31. Related parties

Relationships

Subsidiary	Aeronexus Technical (Pty) Limited
Subsidiary	Aeronexus Corporate (Pty) Limited
Subsidiary	1time charters (Pty) Limited
Subsidiary	1time airline (Pty) Limited

All related-party transactions are concluded at arm's length. Outstanding balances at year-end are unsecured, interest-free and settlement occurs in cash.

No material transactions have occurred between the holding company and subsidiaries.

Key management

Key management personnel comprises only the executive directors.

Notes to the annual financial statements continued

for the year ended 31 December 2007

32. Risk management

Liquidity risk

The Group is exposed to liquidity risk as it may not have the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

Deposit and all cash balances attract interest at a rate that varies with prime. The Group policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit (loss).

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis.

Price risk

The company has not hedged foreign exchange and jet fuel fluctuations in the year under review, however, the company reviews its foreign currency and jet fuel exposure including aircraft commitment on an ongoing basis. The company will hedge against foreign exchange and jet fuel fluctuations when management deems it appropriate.

33. Earnings per share

The calculation of earnings per share is based on profits of R28 578 094 (2006: R24 472 084) and 191 260 274 (2006: 180 000 000) weighted average ordinary shares in issue during year.

	Group		Company	
Figures in rand	**2007**	**2006**	**2007**	**2006**
Earnings from continuing operations attributable to the ordinary equity holders				
Profit for the year	**28 578 094**	24 472 084	**–**	–
Reconciliation of the weighted average number of ordinary shares				
Balance at the beginning of the year	**180 000 000**	180 000 000	**–**	–
30 000 000 shares issued – 14 August 2007	**11 260 274**	–	**–**	–
	191 260 274	180 000 000	**–**	–
Earnings per ordinary share (cents)	**14,94**	13,60	**–**	–

Notes to the annual financial statements continued

for the year ended 31 December 2007

34. Headline earnings per share

The calculation of headline earnings per share is based on profits of R29 985 114 (2006: R19 167 013) and 191 260 274 (2006: 180 000 000) weighted average ordinary shares in issue during year.

	Group		Company	
Figures in rand	**2007**	**2006**	**2007**	**2006**
Reconciliation between earnings and headline earnings				
Profit for the year	**28 578 094**	24 472 084	**–**	–
Profit on disposal of non-current assets	**(4 231)**	(2 202 845)	**–**	–
Discount on purchase	**–**	(3 107 144)	**–**	–
Impairment of assets	**1 411 251**	4 918	**–**	–
	29 985 114	19 167 013	**–**	–
Headline earnings per share (cents)	**15,68**	10,65	**–**	–

Analysis of ordinary shareholders

as at 31 December 2007

Beneficial shareholders' holding more than 3% of share capital		Number of shares	Percentage of issued share capital
Gavin Wade Harrison		21 775 881	10,37
Glenn Orsmond		21 775 881	10,37
Rodney James		21 775 881	10,37
Sven Jabbour Petersen		21 775 881	10,37
Mkjh Trust		21 741 316	10,35
Avstar Aviation (Pty) Limited		18 527 581	8,82
Wishy Trust		10 500 000	5,00
Mogwele Investments		6 382 983	3,04
Institutions and public		65 744 596	31,31
Total number of shareholders	1 543		
Total issued share capital		210 000 000	100,00

Share price performance	
Listing price 14 August 2007	1,00
Closing price 31 December 2007	0,82
High for the period	1,19
Low for the period	0,79
Number of shares in issue	210 000 000
Volume traded during period	35 904 081
Ratio of volume traded to shares issued (%)	17,10
Annualised ratio of volume traded (%)	45,60

Notice of annual general meeting

Notice is hereby given that the annual general meeting of 1time holdings Limited (the company) will be held on Friday, 20 June 2008 at 14:00 in the 1time airline boardroom at unit D2 Isando Business Park, Gewel Street, Isando.

To consider and if deemed fit to pass with or without modifications the following resolutions:

1. **Ordinary resolution number 1**
   "RESOLVED THAT the Group and company annual financial statements, report of the directors and auditors for the year ended 31 December 2007 be received and adopted."

2. **Ordinary resolution number 2**
   "RESOLVED THAT the reappointment of Nexia HBLT, as the auditors of the company, be approved and that the directors be and hereby are authorised to determine their remuneration."

3. **Ordinary resolution number 3**
   "RESOLVED THAT the appointment of Tania Matsinhe as a director of the company with effect from 28 March 2007 be approved."

4. **Ordinary resolution number 4**
   "RESOLVED THAT Sven Petersen who retires in accordance with the provisions of the company's articles of association, but being eligible offers himself for re-election be and hereby is re-elected as a director of the company."

5. **Ordinary resolution number 5**
   "RESOLVED THAT Gavin Harrison who retires in accordance with the provisions of the company's articles of association, but being eligible offers himself for re-election be and hereby is re-elected as a director of the company."

6. **Ordinary resolution number 6**
   "RESOLVED THAT Rodney James who retires in accordance with the provisions of the company's articles of association, but being eligible offers himself for re-election be and hereby is re-elected as a director of the company."

7. **Ordinary resolution number 7**
   "RESOLVED THAT the directors' remuneration as disclosed in the annual financial statements for the year ended 31 December 2007 hereby be approved."

8. **Ordinary resolution number 8 – placing unissued shares under control of directors**
   "RESOLVED THAT the authorised, but unissued ordinary shares in the capital of the company be placed under the control of the directors of the company until the next annual general meeting of the company and that the directors be and hereby are authorised and empowered to allot, issue and otherwise dispose of such shares, on such terms and conditions and at such times as the directors in their discretion deem fit, subject to sections 221 and 222 of the Companies Act 61 of 1973 and the JSE Listing Requirements."

Notice of annual general meeting continued

9. **Ordinary resolution number 9 – general authority to allot and issue shares for cash**
   "RESOLVED THAT subject to the approval of 75% of the members present in person and by proxy and entitled to vote at the meetings, the directors of the company be and hereby are authorised, by way of general authority, to allot and issue all or any of the authorised but unissued shares in the capital of the company as they in their discretion deem fit, subject to the following limitations:
   - This authority shall not endure beyond the next annual general meeting of the company nor shall it endure beyond 15 months from the date of this meeting.
   - There will be no restrictions in regard to the persons whom the shares may be issued to, provided that such shares are to be issued to public shareholders (as defined by the JSE Limited ("JSE") in its listing requirements) and not to related parties.
   - Upon any issue of shares which, together with prior issues during any financial year, will constitute 5% or more of the number of shares of the class in issue, the company shall by way of an announcement of the Securities Exchange News Services ("SENS"), give full details thereof, including the effect on net asset value of the company and earnings per share.
   - The aggregate issue of a class of shares already in issue in any financial year will not exceed 50% of the number of that class of shares (including securities which are compulsory convertible into shares of that class).
   - The maximum discount at which shares may be issued is 10% of the weighted average traded price of the company's shares over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the applicant."

1. **Special resolution number 1 – general authority to repurchase shares**
   "RESOLVED THAT the company and/or its subsidiaries be and hereby are authorised, by way of general authority, to acquire ordinary shares issued by the company, in terms of section 85(2), 85(3) and 89 of the Companies Act, 1973 and in terms of the rules and requirements of the JSE, being that:
   - any such acquisition of ordinary shares shall be implemented on the open-market of the JSE;
   - this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of the passing of this special resolution;
   - an announcement will be published on SENS as soon as the cumulative basis, 3% of the number of ordinary shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details of such repurchase;
   - acquisitions in the aggregate in any one financial year may not exceed 10% of the company's ordinary shares issued share capital nor may acquisitions in the aggregate, from the date of passing of this special resolution, exceed 10% of the company's ordinary shares issued share capital at the date of passing of this special resolution;
   - in determining the price at which ordinary shares issued by the company are acquired by it in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the five-trading days immediately preceding the date of repurchase of such ordinary shares by the company;
   - at any point in time, the company will only appoint one agent to effect any repurchase(s) on the company's behalf;
   - the company may only undertake a repurchase of securities if, after such repurchase, it still complies with minimum shareholder spread requirements in accordance with JSE Listing Requirements; and
   - the company or its subsidiaries will not repurchase securities during a prohibited period in accordance with JSE Listing Requirements."

Notice of annual general meeting continued

Reason and effect of the special resolution

The reason for the special resolution is to grant the company general authority in terms of the Companies Act for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this general meeting. Such special resolution will have the effect of authorising the company or any of its subsidiaries to acquire shares issued by the company.

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of the JSE Listing Requirements for purposes of this general authority:

- Directors and management – see page 4 of the annual report.
- Major beneficial shareholders – see page 50 of the annual report.
- Directors, interests in ordinary shares – see page 23 of the annual report.
- Share capital of the company – see page 42 of the annual report.

Voting

Each shareholder, whether present in person or represented by proxy, is entitled to attend and vote at the annual general meeting. On a show of hands, every shareholder who is present in person or by proxy shall have one vote, and, on a poll, every shareholder present in person or by proxy shall have one vote for each share held by him/her.

Proxies

Certificated shareholders and dematerialised shareholders with "own name" registration. If you are unable to attend the annual general meeting of 1time holdings shareholders to be held at unit D2 Isando Business Park, Gewel Street, Isando on Friday, 20 June 2008 at 14:00, you should complete and return the attached form of proxy in accordance with the instructions contained therein and lodge it with, or post it to, the transfer secretaries, namely, Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa, or PO Box 61051, Marshalltown 2107, by no later than 48 hours (excluding Saturdays, Sundays and public holidays) before the time appointed for the holding of the annual general meeting, being Friday, 20 June 2008 at 14:00.

Dematerialised shareholders, other than those with "own name" registration

If you hold dematerialised shares in 1time holdings through a CSDP or broker and do not have an "own name" registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the annual general meeting or be presented by proxy thereat in order for your CSDP or broker to provide you with your voting instruction in order for your CSDP or broker to vote in accordance with your instruction at the annual general meeting.

By order of the Board

Michael Snyman
Registration number 1999/017536/06
Company Secretary

31 March 2008

CVs of directors up for re-election

Chief Executive Officer 1time airline

Rodney James (age 46)

Rodney is an aircraft engineer with over 23 years' experience in aircraft maintenance. Rodney was responsible for setting up the Sun Air maintenance facility before transforming it to Amtec (as Managing Director) and later Aeronexus (Pty) Limited which Rodney, Sven Petersen and Gavin Harrison formed in 2001. Rodney was instrumental in successfully introducing the DC9 type aircraft into South Africa. Aeronexus currently provides aircraft maintenance services on 15 aircraft types for various clients in Africa. Rodney successfully launched the 1time brand in South Africa establishing its "Azikho lo Nonsense" market position offering the lowest airfares with no hidden costs and no fine print and then the "More Nice. Less Price." positioning.

Operations Director

Gavin Harrison (age 48)

Gavin is a qualified aircraft maintenance engineer and commercial pilot with over 30 years' experience in aviation. Gavin was involved with Rodney in setting up the original Sun Air maintenance facility. Gavin has over 9 000 hours experience as a commercial pilot and is currently a captain on the MD80, DC9 and B727 aircraft types. Gavin successfully set up the 1time flight operations department and has received favourable reports from Civil Aviation audits for the 1time flight safety standards. Gavin is responsible for 1time airline operations, he is a captain for schedule and charter operations, the CEO of 1time charter and an executive director for 1time holdings, 1time airline, Aeronexus and 1time charters.

Technical Director

Sven Petersen (age 48)

Sven is a qualified aircraft maintenance engineer and flight engineer, having completed his apprenticeship at South African Airways and gaining extensive experience on various aircraft up to and including B747, with over 24 years' experience in the airline business. He is also a B727 and DC9 captain with an ALTP and international experience. Sven is Managing Director of Charter Company, Aeronexus Corporate operating international charter services and Managing Director of Aeronexus Technical (Pty) Limited.

Form of proxy

1time holdings Limited
Registration number 1999/017536/06

For use only by 1time holdings shareholders holding certificated shares, nominee companies of Central Securities Depository Participants ("CSDP"), brokers' nominee companies and shareholders who have dematerialised their shares and who have elected own name registration at the annual general meeting of the shareholders of 1time holdings Limited, to be held at unit D2 Isando Business Park, Gewel Street, Isando, at 14:00 on Friday, 20 June 2008 ("annual general meeting").

1time holdings shareholders who have already dematerialised their shares through a CSDP or broker must not complete this form of proxy and must provide their CSDP or broker with their voting instructions, except for shareholders who have dematerialised their shares and have elected own name registration in the subregister through a CSDP, which shareholders must complete this form of proxy and lodge it with the transfer secretaries of the company, Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa. Holders of dematerialised shares, other than those with "own name" registration wishing to attend the annual general meeting must inform their CSDP or broker of such intention and request their CSDP or broker to issue them with the necessary authorisation to attend.

I/We

(of address)

being the holder/s or custodians of ordinary shares in the company, do hereby appoint:

1. or failing him/her,

2. or failing him/her,

3. the chairman of the general meeting,

as my/our proxy to act for me/us at the general meeting and at each adjournment thereof and to vote on such resolutions in respect of the ordinary shares in the issued capital of the company registered in my/our name/s in accordance with the following instructions (see note 2):

	Number of votes (one vote per share)		
	In favour of	Against	Abstain
1. Resolution 1 to consider the financial statements for the year ended 31 December 2007			
2. Resolution 2 to reappoint Nexia HBLT as auditors			
3. Resolution 3 to appoint Tania Matsinhe as a director			
4. Resolution 4 to re-elect Sven Petersen as a director			
5. Resolution 5 to re-elect Gavin Harrison as a director			
6. Resolution 6 to re-elect Rodney James as a director			
7. Resolution 7 to approve the directors' remuneration			
8. Resolution 8 to place unissued shares under control of directors			
9. Resolution 9 to allot and issue shares for cash			
10. Special resolution (general authority to repurchase shares)			

Insert an "X" in the relevant space above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of less than all of the shares that you own in the company, insert the number of ordinary shares held in respect of which you desire to vote.

Signed at on 2008

Signature

Assisted by me (where applicable)

Each member is entitled to appoint one or more proxies (none of whom need to be a member of the company) to attend, speak and, on a poll, vote in place of that member at the annual general meeting.

Please read the notes on the reverse side hereof.

Notes to the form of proxy

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the shareholder. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.

3. Duly completed forms of proxy must be received at the office of the transfer secretaries, Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa, or PO Box 61051, Marshalltown, 2107, South Africa, by no later than 48 hours (excluding Saturdays, Sundays and public holidays) before the time appointed for the holding of the annual general meeting, being Friday, 20 June 2008 at 14:00.

4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof.

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.

6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the company.

8. The chairman of the annual general meeting may reject or accept a form of proxy which is completed and/or received other than in accordance with these notes if he is satisfied as to the manner in which the shareholder wishes to vote.

9. Where there are joint holders of shares:
   - any one holder may sign this form of proxy; and
   - the vote of the senior joint holder (seniority determined by the order of the names as recorded in the company's register of members)

   by proxy or in person will be accepted to the exclusion of the vote(s) of the other joint shareowner(s).

Administration

1time holdings Limited
Registration number 1999/017536/06
Website www.1timeholding.co.za

1time airline (Pty) Limited
Registration number 2003/020975/07
Website www.1time.co.za

1time charters (Pty) Limited
Registration number 1999/013639/07

Unit D2 Isando Business Park
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Telephone +27 11 973 2821
Website www.aeronexus.co.za

Aeronexus Corporate (Pty) Limited
Registration number 2002/022842/07
Website www.aeronexus.co.za

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Transfer secretaries
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PO Box 61051
Marshalltown 2107
Gauteng

Designated advisor
Exchange Sponsors (Pty) Limited
PO Box 411216
Craighall
2024