

1time holdings Limited

CONDENSED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

(Incorporated in the Republic of South Africa)
(Registration Number: 1999/017536/06)
Share Code: 1TM
ISIN Code: ZAE000102026
("1time holdings")

HIGHLIGHTS

Headline earnings	R 82.6 million
Revenue	R1.25 billion
Headline EPS	39.35 cents
Revenue growth	19%
Passenger growth	12%

Condensed consolidated statement of financial position

Figures in Rand	Audited 31 December 2009	Audited 31 December 2008
Assets		
Non-current assets	459,552,905	360,994,521
Current assets	188,999,814	99,019,502
Non-current assets held for sale	21,209,842	28,853,000
Total assets	669,762,561	488,867,023
Equity and liabilities		
Capital and reserves	165,922,331	144,619,890
Non-current liabilities	124,084,819	102,573,494
Deferred tax	36,411,483	22,177,811
Current liabilities	343,343,928	219,495,828
Total equity and liabilities	669,762,561	488,867,023

Condensed consolidated statement of comprehensive income

Figures in Rand	Audited 31 December 2009	Audited 31 December 2008
Gross revenue	1,251,061,344	1,049,553,531
Operating costs	(1,095,645,708)	(990,089,755)
Earnings before disclosable items	155,415,636	59,463,776
Depreciation	(43,167,260)	(27,667,005)
Impairment of assets	(50,491,031)	(10,837,485)
Loss on sale of assets	(4,887,298)	-
Negative goodwill	19,891,361	-
Foreign exchange difference	16,621,929	(17,976,080)
Operating profit	93,383,337	2,983,206
Finance costs	(32,983,935)	(21,178,998)
Interest received	4,722,355	7,063,834
Profit/ (loss) before taxation	65,121,757	(11,131,958)
Taxation	(19,029,677)	1,270,268
Profit/(loss) after tax	46,092,080	(9,861,690)
Profit/ (loss) attributable to:		
Non-controlling interest	5,223,757	-
Owners of the parent	40,868,323	(9,861,690)
	46,092,080	(9,861,690)
 Headline Earnings		
Profit attributable to ordinary shareholders	40,868,323	(9,861,690)
Impairment of assets	50,491,031	10,837,485
Loss on sale of assets	4,887,298	-
Negative goodwill	(13,612,425)	-
Headline earnings attributable to ordinary shareholders	82,634,226	975,795
 Earnings per share		
Profit attributable to ordinary shareholders	40,868,323	(9,861,690)
Earnings attributable to ordinary shareholders	40,868,323	(9,861,690)
 HEPS (Cents)	39.35	0.46
EPS (Cents)	19.46	(4.70)
 Comprehensive Income		
Profit/(loss) after tax	46,092,080	(9,861,690)
Net (loss)/ gain on aircraft revaluations	(27,798,502)	52,876,038
Total comprehensive income	18,293,578	43,014,348
Total comprehensive income attributable to:		
Non-controlling interest	5,223,757	-
Owners of the parent	13,069,821	43,014,348
	18,293,578	43,014,348

Condensed consolidated statement of changes in equity

Figures in Rand	Audited 31 December 2009	Audited 31 December 2008
Opening balance	144,619,890	104,905,542
Non-controlling interest at acquisition	3,008,863	-
Total comprehensive income		
- Non-controlling interest	5,223,757	-
- Owners of the parent	13,069,821	43,014,348
Shareholders loans repaid	-	(3,300,000)
Total	165,922,331	144,619,890

Condensed consolidated statement of cash flows

Figures in Rand	Audited 31 December 2009	Audited 31 December 2008
Cash and equivalents at beginning of year	6,534,243	25,889,064
Cash flows from operating activities	224,204,589	44,227,283
Cash generated from operations	232,779,534	58,872,044
Interest received	4,722,355	7,063,834
Interest paid	(13,315,589)	(21,178,998)
Taxation received/ (paid)	18,289	(529,597)
Cash flows from investing activities	(131,177,606)	(132,568,552)
Cash flows from financing activities	(49,232,548)	68,986,448
Cash and equivalents at end of year	50,328,678	6,534,243

Condensed consolidated segment report

Figures in Rand	Audited 31 December 2009	Audited 31 December 2008
Consolidated revenue		
Airline	1,039,912,340	994,928,298
Charter	9,566,259	11,032,433
Saftech	288,859,528	-
Aeronexus	45,049,474	191,590,369
Inter-segment revenue	(133,326,257)	(147,997,569)
Total	1,251,061,344	1,049,553,531
Segment result		
Airline	152,759,868	37,629,540
Charter	(430,876)	3,607,633
Saftech	2,086,755	-
Aeronexus	1,899,078	20,185,647
Eliminations	(899,189)	(1,959,044)
Total earnings before disclosable items	155,415,636	59,463,776
Finance costs	(32,983,935)	(21,178,998)
Interest received	4,722,355	7,063,834
Impairment of assets	(50,491,031)	(10,837,485)
Foreign exchange difference	16,621,929	(17,976,080)
Negative goodwill	19,891,361	
Depreciation	(43,167,260)	(27,667,005)
Taxation	(19,029,677)	1,270,268
Total profit/(loss) after tax	46,092,080	(9,861,690)

PERFORMANCE REVIEW

We are pleased to announce excellent financial results for the 1time holdings group for the year ended 31 December 2009. The group achieved R 82.6 million attributable headline earnings compared to the R 1 million headline earnings for 2008.

Group revenue increased by 19% from R 1,049 million last year to R 1,251 million despite the generally difficult economic conditions and tough trading environment. The revenue growth is underpinned by a 12% increase in passenger volumes and increased revenue generated from the recently acquired maintenance facility Safair Technical.

The strengthening of the Rand against the US Dollar translated to a R 16,6 million foreign exchange gain on the write down of foreign debt but also resulted in a currency based aircraft valuation impairment of R50,5 million.

The net current liability position is largely due to an increase in forward ticket sales and the policy of replacing all off balance sheet aircraft operating leases with on balance sheet financing.

Cash generated from operations for the year was exceptionally strong at R232,8 million compared to R58,9 million for 2008. The cash generated has been utilised to acquire additional aircraft and to reduce debt.

The full assessed tax loss from prior years has been substantially utilised in the current year due to strong earnings.

1TIME AIRLINE

1time airline performed well growing revenue to R 1,040 million on marginally lower yields and a 12% passenger increase. The passenger growth was achieved despite the overall domestic travel market declining by an estimated 7% for the year, leading to further market share gains for the airline.

The improved margins have been underpinned by the average 34% decrease in Rand jet fuel prices for the year and a successful campaign to entice corporate travelers away from the higher priced legacy airlines.

The airline operates a fleet of twelve standard stage III MD80 type aircraft operating over 1200 flights a month to ten destinations. Our planned African expansion has continued with Zanzibar and Livingstone performing well and Maputo planned to commence in the second quarter of this financial year

Our continued unfair exclusion from Lanseria has been referred to the Competition Tribunal. We expect a final conclusion of the matter this year.

SAFAIR TECHNICAL

Following the acquisition of 72% of Safair Technical by 1time holdings, Aeronexus Technical was merged into Safair Technical effective April 2009.

Aircraft maintenance revenue has increased from R 191 million last year to a combined R 334 million for the year ended 31 December 2009. Operating margins have been under pressure due to initial merger costs and operating inefficiencies. These matters are now being addressed with recent management changes.

1TIME CHARTERS

In order to avoid a duplication of overheads, the group has, with effect from January 2010, run its charter service as a division within 1time airline rather than through its subsidiary Aeronexus Corporate (Pty) Ltd.

Subsequent to year end Aeronexus Corporate (Pty) Ltd was sold for R1,65 million, which represents a profit to its net asset value. All aircraft assets and MD80 World Cup charter contracts were transferred from Aeronexus Corporate to 1time airline.

We expect an increased demand for charters during the World Cup period.

DIVIDEND POLICY

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

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the South African Companies Act.

The following new standards and amendments to standards have become mandatory for the financial year beginning 1 January 2009:

- IAS 1 (revised) – Presentation of Financial Statements.
The group has elected to present one performance statement; namely a statement of comprehensive income and to rename the balance sheet to the statement of financial position. The interim financial statements have been prepared under the revised disclosure requirements.
- IFRS 8 – Operating segments.
This standard requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.
- IAS 36 – Impairment of assets.
The standard requires disclosures of estimates used to determine the recoverable amount of cash-generating units containing goodwill or intangible assets with indefinite useful lives. When discounted cash flows are used to estimate fair value less costs to sell, disclosure of the period over which the cash flows are projected, the growth rate used and the discount rate is required.

AUDIT OPINION

The auditors of 1time holdings, SAB-T Chartered Accountants Incorporated, have audited the financial information in terms of rule 3.18 of the Listings Requirements of the JSE Limited. Their unqualified audit opinion is available for inspection at the offices of 1time holdings.

PROSPECTS

For the airline we expect further revenue growth on expanded capacity and higher passenger volumes for 2010. There is uncertainty as to what impact the World Cup will have on earnings for the year. Margins in the airline will be largely dependent on the average Rand fuel price achieved for 2010. Hedging is, however, considered and assessed on an ongoing basis.

For the aircraft maintenance business we expect further revenue growth and improved margins.

APPRECIATION

We thank our loyal staff for their commitment and also thank our business partners, advisors, passengers, and most importantly our shareholders, for their ongoing support and faith in the group

By order of the Board

23 March 2010

Glenn Orsmond
Chief Executive Officer

Sipho Twala
Chairman

CORPORATE INFORMATION

Non-executive directors: S M Twala; T Matsinhe; G L Wishart, M Sinclair (ALT)

Executive directors: G W Orsmond; R L James; M J Kaminski; M Snyman (Company secretary)

Registration number: 1999/017536/06

Registered address: Unit D2 Isando Industrial Park, Isando

Postal address: P.O. 7110, Bonaero Park, 1622

Telephone: 011 928 8000

Facsimile: 0866 492 712

Web address: www.1timeholdings.co.za

Transfer secretaries: Computershare Investor Services (Pty) Limited

Designated Adviser: Exchange Sponsors (2008) (Pty) Limited
