

# **1time holdings Limited**

## **INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2009**

(Incorporated in the Republic of South Africa)

(Registration Number: 1999/017536/06)

Share Code: 1TM

ISIN Code: ZAE000102026

("1time holdings")

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### HIGHLIGHTS

Headline earnings	R 50.9 million
Revenue growth	35%
Passenger growth	12%

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### Consolidated statement of financial position

<b>Figures in Rand</b>	<b>Reviewed 30 June 2009</b>	<b>Reviewed 30 June 2008</b>	<b>Audited 31 December 2008</b>
<b>Assets</b>			
Non-current assets	<b>428,311,143</b>	297,271,798	360,994,521
Current assets	<b>193,892,368</b>	103,064,391	97,926,296
Non-current assets held for sale	<b>22,929,565</b>	-	28,853,000
Total assets	<b>645,133,076</b>	<b>400,336,189</b>	<b>487,773,817</b>
<b>Equity and liabilities</b>			
Capital and reserves	<b>176,841,563</b>	100,555,570	144,619,890
Non-current liabilities	<b>128,883,575</b>	86,872,487	102,573,494
Deferred tax	<b>21,565,931</b>	12,240,319	21,084,605
Current liabilities	<b>317,842,007</b>	200,667,813	219,495,828
Total equity and liabilities	<b>645,133,076</b>	<b>400,336,189</b>	<b>487,773,817</b>

Consolidated statement of comprehensive income

<b>Figures in Rand</b>	<b>Reviewed 30 June 2009</b>	<b>Reviewed 30 June 2008</b>	<b>Audited 31 December 2008</b>
Gross revenue	<b>613,860,352</b>	455,435,905	1,049,553,531
Operating costs	<b>(541,986,912)</b>	(449,709,932)	(990,089,755)
Earnings before disclosable items	<b>71,873,440</b>	<b>5,725,973</b>	<b>59,463,776</b>
Depreciation	<b>(19,215,908)</b>	(11,174,395)	(27,667,005)
Impairment of assets	<b>(16,511,622)</b>	-	(10,837,485)
Negative goodwill	<b>19,891,361</b>	-	-
Foreign exchange difference	<b>9,056,572</b>	-	(17,976,080)
<b>Operating profit/ (loss)</b>	<b>65,093,843</b>	<b>(5,448,422)</b>	<b>2,983,206</b>
Finance costs	<b>(16,263,544)</b>	(9,509,966)	(21,178,998)
Interest received	<b>3,100,800</b>	4,894,847	7,063,834
<b>Profit/ (loss) before taxation</b>	<b>51,931,099</b>	<b>(10,063,541)</b>	<b>(11,131,958)</b>
Taxation	<b>2,617,161</b>	3,750,256	1,270,268
<b>Profit after tax</b>	<b>54,548,260</b>	<b>(6,313,285)</b>	<b>(9,861,690)</b>
<b>Other comprehensive income:</b>			
Net (loss)/ gain on aircraft revaluations	<b>(25,230,542)</b>	4,263,313	52,876,038
<b>Total comprehensive income</b>	<b>29,317,718</b>	<b>(2,049,972)</b>	<b>43,014,348</b>
<b>Profit/ (loss) attributable to:</b>			
Non-controlling interest	<b>6,588,908</b>	-	-
Owners of the parent	<b>47,959,352</b>	(6,313,285)	(9,861,690)
	<b>54,548,260</b>	<b>(6,313,285)</b>	<b>(9,861,690)</b>
<b>Total comprehensive income/ (loss) attributable to:</b>			
Non-controlling interest	<b>6,588,908</b>	-	-
Owners of the parent	<b>22,728,810</b>	(2,049,972)	43,014,348
	<b>29,317,718</b>	<b>(2,049,972)</b>	<b>43,014,348</b>
<b>Headline Earnings</b>			
Profit attributable to ordinary shareholders	<b>47,959,352</b>	(6,313,285)	(9,861,690)
Impairment of assets	<b>16,511,622</b>	-	10,837,485
Negative goodwill	<b>(13,612,425)</b>	-	-
Headline earnings attributable to ordinary shareholders	<b>50,858,549</b>	<b>(6,313,285)</b>	<b>975,795</b>
<b>Earnings per share</b>			
Profit attributable to ordinary shareholders	<b>47,959,352</b>	(6,313,285)	(9,861,690)
Earnings attributable to ordinary shareholders	<b>47,959,352</b>	<b>(6,313,285)</b>	<b>(9,861,690)</b>
<b>HEPS (Cents)</b>	<b>24.22</b>	(3.01)	0.46
<b>EPS (Cents)</b>	<b>22.84</b>	(3.01)	4.70

# 1 time Holdings Limited

## Consolidated statement of changes in equity

<b>Figures in Rand</b>	<b>Reviewed 30 June 2009</b>	<b>Reviewed 30 June 2008</b>	<b>Audited 31 December 2008</b>
<b>Opening balance</b>	<b>144,619,890</b>	104,905,542	104,905,542
Non-controlling interest at acquisition	2,903,954	-	-
Total comprehensive income			
- Non-controlling interest	6,588,908	-	-
- Owners of the parent	22,728,811	(2,049,972)	43,014,348
Shareholders loans repaid	-	(2,300,000)	(3,300,000)
<b>Total</b>	<b>176,841,563</b>	<b>100,555,570</b>	<b>144,619,890</b>

## Consolidated statement of cash flows

<b>Figures in Rand</b>	<b>Reviewed 30 June 2009</b>	<b>Reviewed 30 June 2008</b>	<b>Audited 31 December 2008</b>
<b>Cash and equivalents at beginning of period</b>	<b>6,534,243</b>	25,889,064	25,889,064
<b>Cash flows from operating activities</b>	<b>15,040,363</b>	25,802,142	44,227,283
Cash generated by customers	71,873,440	6,484,511	41,487,696
Net movement in working capital	(43,670,333)	23,932,750	17,384,348
Interest received	3,100,800	4,894,847	7,063,834
Interest paid	(16,263,544)	(9,509,966)	(21,178,998)
Taxation paid	-	-	(529,597)
<b>Cash flows from investing activities</b>	<b>(40,590,130)</b>	(70,956,161)	(132,568,552)
<b>Cash flows from financing activities</b>	<b>43,558,699</b>	39,970,524	68,986,448
<b>Cash and equivalents at end of period</b>	<b>24,543,175</b>	20,705,569	6,534,243

## Consolidated segment report

	Reviewed 30 June 2009	Reviewed 30 June 2008	Audited 31 December 2008
<b>Figures in Rand</b>			
<b>Consolidated revenue</b>			
Airline	507,979,644	422,919,262	994,928,298
Charter	5,209,583	6,952,532	11,032,433
Saftech	108,014,103	64,143,264	191,590,369
Aeronexus	43,912,663	-	-
Inter-segment revenue	(51,255,641)	(38,579,153)	(147,997,569)
<b>Total</b>	<b>613,860,352</b>	<b>455,435,905</b>	<b>1,049,553,531</b>
<b>Segment result</b>			
Airline	65,464,197	(7,817,667)	37,629,540
Charter	594,909	3,331,334	3,607,633
Saftech	4,187,449	10,974,781	20,185,647
Aeronexus	2,062,357	-	-
Eliminations	(435,472)	(762,476)	(1,959,044)
<b>Total</b>	<b>71,873,440</b>	<b>5,725,972</b>	<b>59,463,776</b>
Finance costs	(16,263,544)	(9,509,965)	(21,178,998)
Interest received	3,100,800	4,894,847	7,063,834
Impairment of assets	(16,511,622)	-	(10,837,485)
Foreign exchange difference	9,056,572	-	(17,976,080)
Negative goodwill	19,891,361	-	-
Depreciation	(19,215,908)	(11,174,395)	(27,667,005)
Taxation	2,617,161	3,750,256	1,270,268
<b>Total</b>	<b>54,548,260</b>	<b>(6,313,285)</b>	<b>(9,861,690)</b>

## **PERFORMANCE REVIEW**

We are pleased to announce good financial results for the 1time holdings group for the first six months ended 30 June 2009. The group achieved R 50.9 million attributable headline earnings compared to the R 6.3 million headline loss for the same period in 2008. Group revenue increased by 35% from R 455.4 million last year to R 613.9 million despite the generally difficult economic conditions and tough trading environment.

The non-recurring R 19.9 million negative goodwill relates to the discount on the purchased net asset value arising from the acquisition of 72% of Safair Technical on 1 April 2009 and its subsequent merger with Aeronexus Technical.

The strengthening of the Rand against the US Dollar translated to a R 9.1 million foreign exchange gain on the write down of foreign debt which was largely offset by the currency based R 16.5 million aircraft valuation impairment.

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 funding.

The group has a net R 2.6 million tax credit on the income statement mainly as a result of assessed losses arising from wear and tear allowances.

### **1TIME AIRLINE**

1time airline performed particularly well growing revenue by 20% to R 508 million and passengers by 12%. The passenger growth was achieved despite the overall domestic travel market declining by an estimated 10% for the period, leading to further market share gains for the airline.

The improved margins have been underpinned by the average 37% decrease in Rand jet fuel prices for the period and a focused successful campaign to entice corporate travelers away from the higher priced legacy airlines.

The airline operates a fleet of ten standard stage III MD80 type aircraft operating over 1200 flights a month to nine destinations. Additional aircraft are planned to be introduced in the second half of the year to satisfy growth in demand for our new route to Livingstone and demand created by 1time holidays.

We expect a decision from the Competition Commission in October 2009 regarding our complaint against our anti-competitive exclusion from Lanseria Airport.

### **SAFAIR TECHNICAL**

Following the acquisition of 72% of Safair Technical by 1time holdings, Aeronexus Technical has been merged into Safair Technical since April 2009.

Aircraft maintenance revenue has increased from R 64.1 million last year to a combined R 151.9 million for the six months ended 30 June 2009. Operating margins for the first half have however been under pressure due to initial merger costs and the strength of the Rand. Maintenance revenue is largely dollar denominated. Satisfactory margins will only be achieved with a weaker Rand.

### **1TIME CHARTERS**

Two of the four DC9 aircraft have been sold. An MD80 aircraft will be introduced into 1time charters during the last quarter of 2009 with good charter revenue growth expected in 2010

## **DIVIDEND POLICY**

In line with the company's strategy to reinvest in the group 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 AND ACCOUNTING POLICIES**

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34: Interim Financial Reporting.

The principal accounting policies applied in preparing the reviewed results for the six months ended 30 June 2009 are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those annual financial statements.

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.

## **REVIEW OPINION**

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

## **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.

## **PROSPECTS**

While trading conditions in the domestic air travel market are expected to be tough in the second half, prospects for the airline remain positive. We expect revenue growth for the full year on higher passenger volumes despite pressure on yields as competitors attempt to regain lost market share. Margins will be largely determined by Rand jet fuel prices in the second half.

For the aircraft maintenance business we expect to consolidate the merger during the second half of the year. Revenue growth is expected to continue with high third party demand for aircraft maintenance services. Margins will however be largely dependent on the average Rand Dollar exchange rate achieved for the period.

The inherent currency risk hedge between the airline and maintenance businesses should continue.

By order of the Board

DATE: 31 August 2009

*Glenn Orsmond*  
**Chief Executive Officer**

*Sipho Twala*  
**Chairman**

## **CORPORATE INFORMATION**

**Non-executive directors:** S M Twala; T Matsinhe; G L Wishart

**Executive directors:** G W Orsmond; R L James; M J Kaminski; G W Harrison; S J Petersen; 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](http://www.1timeholdings.co.za)

**Transfer secretaries:** Computershare Investor Services (Pty) Limited

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

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