

# SWISSPORT TANZANIA PLC AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

## Commentary

The Board of Directors of Swissport Tanzania Plc is pleased to publish the audited financial results of the Company for the year ended 31 December 2017. During the year, ground handling and cargo handling revenues decreased by 12% and 8% respectively. Consequently, total revenue dropped by 10% to TZS 51,598M from TZS 57,502M in 2016. The reduction in revenue was mainly due to a significant decrease in the number of flights handled, caused by lower production by some of our key airline customers and the loss of storage revenue from overstayed cargo. On the other hand, operating costs decreased by 4%, mainly due to cost control initiatives implemented during the year. The decrease in operating costs includes an increase in amortization costs amounting to TZS 1,170M due to the full year amortization of our new warehouse at JNIA; excluding the amortization costs, our operating costs decreased by 7%. As a result, a net profit of TZS 11,934M was achieved, a decrease of 22% compared to the previous year.

## Dividend to shareholders

Despite the prevailing market conditions and existing investment commitments, the Board is delighted to announce a final dividend for the year of TZS 5,967M or TZS 165.75 per issued and fully paid share. No interim dividend was paid during the year (2016: Annual dividend of TZS 12,187M or TZS 338.53 per issued and fully paid share). Pursuant to this declaration, the share register will be closed on 18th May 2018 and the last day of trading cum dividend shall be on 15th May 2018. The final dividend will be paid out on or about 17th August 2018.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME For the Year Ended 31 December 2017	2017 TZS M	2016 TZS M	Change %
Revenue	51,093	57,286	-11%
Other operating income	505	216	134%
<b>Total revenue</b>	<b>51,598</b>	<b>57,502</b>	<b>-10%</b>
Total operating expenses	34,198	35,596	-4%
<b>Operating profit</b>	<b>17,400</b>	<b>21,906</b>	<b>-21%</b>
Finance costs	353	-	NA
<b>Profit before income tax</b>	<b>17,047</b>	<b>21,906</b>	<b>-22%</b>
Income tax expense	5,113	6,674	-23%
<b>Profit for the period</b>	<b>11,934</b>	<b>15,232</b>	<b>-22%</b>
Other comprehensive income	25	(292)	-109%
<b>Total comprehensive income for the year</b>	<b>11,959</b>	<b>14,940</b>	<b>-20%</b>
Earnings per share	331.50	423.11	-22%
Dividend per share	165.75	338.49	-51%

STATEMENT OF FINANCIAL POSITION As At 31 December 2017	2017 TZS M	2016 TZS M	Change %
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible asset	21,615	25,281	-15%
Property and equipment	13,206	10,839	22%
Deferred tax assets	289	594	-51%
Staff receivables	115	137	-16%
	<b>35,225</b>	<b>36,851</b>	<b>-4%</b>
<b>Current assets</b>			
Inventories	384	264	45%
Trade and other receivables	7,336	6,631	11%
Income tax recoverable	837	552	52%
Cash and cash equivalents	4,704	5,936	-21%
	<b>13,261</b>	<b>13,383</b>	<b>-1%</b>
<b>Total assets</b>	<b>48,486</b>	<b>50,234</b>	<b>-3%</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	360	360	0%
Retained earnings	31,475	27,405	15%
<b>Total equity</b>	<b>31,835</b>	<b>27,765</b>	<b>15%</b>
<b>Non-current liabilities</b>			
Retirement benefit obligations	2,154	3,711	-42%
Interest bearing loan	3,601	-	NA
	<b>5,755</b>	<b>3,711</b>	<b>55%</b>
<b>Current liabilities</b>			
Trade and other payables	8,452	18,758	-55%
Interest bearing loan	2,444	-	NA
	<b>10,896</b>	<b>18,758</b>	<b>-42%</b>
<b>Total equity and liabilities</b>	<b>48,486</b>	<b>50,234</b>	<b>-3%</b>

## Future Outlook

We do not envisage a significant growth in volume of flights and cargo to be handled in the current financial year, this fact has been considered in our future projections. To retain our customers and remain competitive, we will continue focusing on health and safety, enhancing the quality of our services to meet and exceed customers' expectations, investing in new ground support equipment, warehouse infrastructure, technology and human resources. We are optimistic that the Company's financial performance in 2018 will remain stable and healthy.

## Appreciation

The Board would like to thank all customers for their patronage and is looking forward to continue serving them in 2018. The Board would also like to commend staff and the management for their valuable contributions.

Mark Skinner  
Board Chairman

STATEMENT OF CASH FLOWS For the Year Ended 31 December 2017	2017 TZS M	2016 TZS M
Profit before income tax	17,047	21,906
<b>Adjustment for:</b>		
Depreciation of property and equipment	2,287	2,124
Amortization of intangible assets	2,410	1,240
Unrealized exchange loss on bank loan	8	-
Gain on disposal of property and equipment	(13)	(38)
Interest expense	353	-
Provision for retirement benefit obligation	777	795
<b>Working capital adjustment</b>		
Increase in inventories	(120)	(37)
(Increase)/decrease in trade and other receivables	(683)	244
(Decrease)/increase in trade and other payables	(10,659)	5,606
	<b>11,407</b>	<b>31,840</b>
Retirement benefit paid	(2,475)	(91)
Interest paid	(353)	-
Income tax paid	(5,128)	(6,257)
<b>Cash generated from operating activities</b>	<b>3,451</b>	<b>25,492</b>
<b>Investing activities</b>		
Proceeds from sale of property and equipment	13	38
Purchase of property and equipment	(4,673)	(14,924)
<b>Cash used in investing activities</b>	<b>(4,660)</b>	<b>(14,886)</b>
<b>Financing activities</b>		
Proceeds from bank loan	6,690	-
Loan repayment	(2,100)	-
Dividends paid to Company's shareholders	(4,613)	(8,928)
<b>Cash used in financing activities</b>	<b>(23)</b>	<b>(8,928)</b>
Net (decrease) /increase in cash and cash equivalents	(1,232)	1,678
Cash and cash equivalents at 1 January	5,936	4,258
<b>Cash and cash equivalents at 31 December</b>	<b>4,704</b>	<b>5,936</b>



**From landing to take-off: we care !**

Mark Skinner  
Board Chairman

Mrisho Yassin  
Chief Executive Officer

Robin Kimambo  
Chief Financial Officer