

## SWISSPORT TANZANIA PLC UN-AUDITED FINANCIAL RESULTS FOR SIX MONTHS ENDED 30 JUNE 2017

The Board of Directors of Swissport Tanzania Plc is pleased to present the un-audited financial results for the six months ended 30 June 2017. During this period revenue decreased by 12% from TZS 29,538M in 2016 to TZS 26,109M. Whilst we retained our customer portfolio, despite the competitive environment, the decline in revenue was attributable to reduced volumes in both product lines. Flight frequencies were 10% below the same period last year while the volume of cargo handled decreased by 7%. The reduction in flight frequencies is a result of the change in operational plan by some of our airline customers while the decline in the volume of cargo handled is mainly due to general decrease of imports for the period under review. Despite a decrease in revenue by 12%, operating costs remained the same as prior year, mainly due to the amortization of the new cargo import facility which has largely offset the savings made year to date (normalized savings would show a 7% decrease in operating costs). The new facility was capitalized in July 2016. Consequently, profit before tax decreased by 28% from TZS 12,349M to TZS 8,928M.

### Competition

The ground handling business at Julius Nyerere and Kilimanjaro International Airports are fully liberalized and other operators have started their operations.

### Dividend to shareholders

Due to significant spending made on the cargo facility (TZS 26,521M) as well as continued investment in new equipment and technology in 2017, the Board has decided not to declare interim dividend and to use the funds to support further investment on operating equipment and financing maturing obligations.

### Future outlook

The prospects of the performance of our airline customers indicate no significant change of their performance to the year-end while cargo volumes are expected to remain constant. To cope with the changing and demanding business environment, we continue enhancing operational performance, investing in ground handling equipment, technology and human resources development to make sure we exceed customers' needs and provide better working environment to our staff. We expect the trading environment to be generally stable to the remainder of the year.

**Mark Skinner**  
Board Chairman

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME For Six Months Ended 30 June 2017	2017 TZS M	2016 TZS M	Change %
Revenue	26,085	29,472	-11%
Other operating income	24	66	-64%
<b>Total revenue</b>	<b>26,109</b>	<b>29,538</b>	<b>-12%</b>
Total operating expenses	16,615	16,761	-1%
<b>Operating profit</b>	<b>9,494</b>	<b>12,777</b>	<b>-26%</b>
Finance costs	566	428	32%
<b>Profit before income tax</b>	<b>8,928</b>	<b>12,349</b>	<b>-28%</b>
Income tax expense	2,657	3,705	-28%
<b>Profit for the period</b>	<b>6,271</b>	<b>8,644</b>	<b>-27%</b>
Other comprehensive income	-	-	NA
<b>Total comprehensive income for the year</b>	<b>6,271</b>	<b>8,644</b>	<b>-27%</b>
<b>Earnings per share</b>	<b>174.19</b>	<b>240.11</b>	<b>-27%</b>
<b>Dividend per share</b>	<b>-</b>	<b>120.06</b>	<b>-100%</b>

STATEMENT OF FINANCIAL POSITION As At	TZS M 30 Jun 17	TZS M 31 Dec 16	Change %
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible asset	24,475	25,281	-3%
Property and equipment	15,180	10,839	40%
Deferred tax assets	594	594	0%
Staff receivables	-	137	-100%
	<b>40,249</b>	<b>36,851</b>	<b>9%</b>
<b>Current assets</b>			
Inventories	289	264	9%
Trade and other receivables	5,772	6,631	-13%
Income tax recoverable	491	552	-11%
Cash and cash equivalents	5,855	5,936	-1%
	<b>12,407</b>	<b>13,383</b>	<b>-7%</b>
<b>Total assets</b>	<b>52,656</b>	<b>50,234</b>	<b>5%</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	360	360	0%
Retained earnings	26,441	27,405	-4%
<b>Total equity</b>	<b>26,801</b>	<b>27,765</b>	<b>-3%</b>
<b>Non-current liabilities</b>			
Retirement benefit obligations	4,059	3,711	9%
Bank Loan (Non-current portion)	4,827	-	NA
	<b>8,886</b>	<b>3,711</b>	<b>139%</b>
<b>Current liabilities</b>			
Trade and other payables	11,962	14,429	-17%
Bank Loan (Current Portion)	1,196	-	NA
Dividends payable	3,811	4,329	-12%
Income tax payable	-	-	NA
	<b>16,969</b>	<b>18,758</b>	<b>-10%</b>
<b>Total equity and liabilities</b>	<b>52,656</b>	<b>50,234</b>	<b>5%</b>

STATEMENT OF CASH FLOWS For Six Months Ended 30 June 2017	2017 TZS M	2016 TZS M
Profit before income tax	8,928	12,349
<b>Adjustment for:</b>		
Depreciation of property and equipment	2,067	1,036
Gain on disposal of property and equipment	-	-
Provision for retirement benefit obligations	303	551
<b>Working capital adjustment</b>		
Decrease in inventories	(25)	-
Decrease in trade and other receivables	1,548	1,494
Decrease in trade and other payables	(6,164)	(521)
Retirement benefit obligations not paid	348	-
Income tax paid	(3,148)	(3,385)
<b>Cash generated from operating activities</b>	<b>3,857</b>	<b>11,524</b>
<b>Investing activities</b>		
Purchase of property and equipment	(3,535)	(8,081)
<b>Cash used in investing activities</b>	<b>(3,535)</b>	<b>(8,081)</b>
<b>Financing activities</b>		
Dividends paid to Company's shareholders	(6,426)	(4,606)
Bank Loan	6,023	-
<b>Cash used in financing activities</b>	<b>(403)</b>	<b>(4,606)</b>
Net increase in cash and cash equivalents	(81)	(1,163)
Cash and cash equivalents at 1 January	5,936	4,258
<b>Cash and cash equivalents at 30 June</b>	<b>5,855</b>	<b>3,095</b>



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

**Mark Skinner**  
Board Chairman

**Mrisho Yassin**  
Chief Executive Officer

**Robin Kimambo**  
Chief Financial Officer