

**Commentary**

The Board of Directors of **Swissport Tanzania Plc** is pleased to present unaudited financial results for the six months ended on 30 June 2016. During the period under review business continued to be favourable to our company and both our product lines, namely ground handling and cargo services performed well despite a decrease in the volume of cargo. Compared to the same period last year, the number of flights handled increased by 7% while the volume of cargo handled decreased by 18%, mainly due to general decline in imports. Total revenue increased by 16% to Tshs 29,538 M while operating costs increased by 12% to Tshs 16,761M. Profit before tax increased by 24% from Tshs 6,968M to Tshs 8,644M. This good result was mainly driven by increased frequencies, the use of bigger aircraft by our customer airlines and a favourable forex impact.

We have completed the construction of our state of the art cargo handling facility and we fully migrated our import operations and corporate offices to the new location in June 2016. The import cargo terminal was officially inaugurated on 12th July 2016 by the Minister for Agriculture, Livestock and Fisheries Hon. Charles Tizeba on behalf of the Minister for Works, Transport and Communications Hon. Prof. Makame Mbarawa.

**Dividend to shareholders**

Despite the huge investment into the new cargo handling facility, the Board is delighted to announce an

interim dividend of Tshs 4,322M or Tshs 120.06 per issued and fully paid share (2015 - Tshs 5,574M or Tshs 154.84 per share). Pursuant to this declaration, the share register will be closed on 22nd September 2016 and the last day of trading cum dividend shall be on 19th September 2016. The interim dividend will be paid out on or about 28th November, 2016.

**Future outlook**

The prospects of our airline customers indicate a stable 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 and human resources development to ensure we exceed customers' needs and provide a better working environment to our employees. Generally, we are optimistic that the good performance in the first 6 months of 2016 will be sustained during the remaining part of the year.

Mark Skinner  
Board Chairman

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME For Six Months Ended 30 June 2016	2016 TShs M	2015 TShs M	Change %
Revenue	29,472	25,353	16%
Other operating income	66	-	100%
<b>Total revenue</b>	<b>29,538</b>	<b>25,353</b>	<b>17%</b>
Total operating expenses	16,761	15,003	12%
<b>Operating profit</b>	<b>12,777</b>	<b>10,350</b>	<b>23%</b>
Finance costs	428	413	4%
<b>Profit before income tax</b>	<b>12,349</b>	<b>9,937</b>	<b>24%</b>
Income tax expense	3,705	2,969	25%
<b>Profit for the period</b>	<b>8,644</b>	<b>6,968</b>	<b>24%</b>
Other comprehensive income	-	-	0%
<b>Total comprehensive income for the year</b>	<b>8,644</b>	<b>6,968</b>	<b>24%</b>
<b>Earnings per share</b>	<b>240.11</b>	<b>193.56</b>	<b>24%</b>
<b>Dividend per share</b>	<b>120.06</b>	<b>154.84</b>	<b>-22%</b>

STATEMENT OF CASH FLOWS For Six Months Ended 30 June 2016	2016 TShs M	2015 TShs M
Profit before income tax	12,349	9,937
<b>Adjustment for:</b>		
Depreciation of property and equipment	1,036	1,000
Provision for retirement benefit obligations	551	414
<b>Working capital adjustment</b>		
Decrease/(increase) in inventories	-	17
Increase/(decrease) in trade and other receivables	1,494	(850)
Decrease in trade and other payables	(521)	(1,393)
Retirement benefit obligations paid	-	(129)
Income tax paid	(3,385)	(2,880)
<b>Cash generated from operating activities</b>	<b>11,524</b>	<b>6,116</b>
<b>Investing activities</b>		
Purchase of property and equipment	(8,081)	(3,861)
<b>Cash used in investing activities</b>	<b>(8,081)</b>	<b>(3,861)</b>
<b>Financing activities</b>		
Dividends paid to Company's shareholders	(4,606)	(3,312)
<b>Cash used in financing activities</b>	<b>(4,606)</b>	<b>(3,312)</b>
Net increase in cash and cash equivalents	(1,163)	(1,057)
Cash and cash equivalents at 1 January	4,258	6,130
<b>Cash and cash equivalents at 30 June</b>	<b>3,095</b>	<b>5,073</b>

STATEMENT OF FINANCIAL POSITION As At	TShs M 30 Jun 16	TShs M 31 Dec 15	Change %
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible asset	20,448	14,426	42%
Property and equipment	11,157	10,134	10%
Deferred tax assets	1,303	1,303	0%
Staff receivables	-	136	-100%
	<b>32,908</b>	<b>25,999</b>	<b>27%</b>
<b>Current assets</b>			
Inventories	227	227	0%
Trade and other receivables	5,653	6,875	-18%
Income tax recoverable	-	136	-100%
Cash and cash equivalents	3,095	4,258	-27%
	<b>8,975</b>	<b>11,496</b>	<b>-22%</b>
<b>Total assets</b>	<b>41,883</b>	<b>37,495</b>	<b>12%</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	360	360	0%
Retained earnings	25,408	25,722	-1%
<b>Total equity</b>	<b>25,768</b>	<b>26,082</b>	<b>-1%</b>
<b>Non-current liabilities</b>			
Retirement benefit obligations	4,788	4,214	14%
	<b>4,788</b>	<b>4,214</b>	<b>14%</b>
<b>Current liabilities</b>			
Trade and other payables	6,678	7,199	-7%
Dividends payable	4,329	-	100%
Income tax payable	320	-	100%
	<b>11,327</b>	<b>7,199</b>	<b>57%</b>
<b>Total equity and liabilities</b>	<b>41,883</b>	<b>37,495</b>	<b>12%</b>



New Import Cargo Terminal at JNIA

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

Mark Skinner  
Board Chairman

Gaudence Kilasara Temu  
Chief Executive Officer

Mrisho Yassin  
Chief Financial Officer