

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Commentary

The Board of Directors of Swissport Tanzania Ltd is pleased to present the audited financial results for the year ended 31 December 2010. During the year, the number of flights handled decreased by 41% while the volume of cargo handled increased by 3% when compared to previous year. The decrease is mainly a result of Precisionair entering into the self handling of their aircraft and reduced performance of Air Tanzania. The increase in cargo handled is mainly due to the increase in import volumes. On the other hand, the total revenue increased by 10% while operating costs increased by 10%. Profit before tax increased by 12% from Tshs 5,668M in 2009 to Tshs 6,322M. Despite the decrease in production when compared to year 2009, the Company is reporting improved results due to new airlines entering the market, the increase in frequencies and the use of bigger aircraft by our customer airlines, good performance of the Swissport Executive Aviation unit, enhanced operational efficiency and favourable economic factors.

Ground handling market liberalization

Further liberalisation of the ground handling market is at an advanced stage as TAA is in the process of concessioning a second ground handler at Julius Nyerere International Airport (JNIA). It is however not certain as to when a new ground handler will start its operations. Further liberalisation of the ground handling business is likely to have an impact on safety and security at JNIA given the limited infrastructure. Consequently, we have requested the Government to postpone the matter until such time that the airport infrastructure is improved to accommodate multiple handlers.

Dividends to shareholders

The Board is delighted to announce a final dividend of Tshs 1,968M or Tshs 54.67 per issued and fully paid share. An interim dividend of Tshs1,530M or Tshs 42.50 per issued and fully paid share was paid in November 2010 making the total dividend for the year to be Tshs 3,498M or Tshs 97.17 per issued and paid up share (2009: Tshs 3,238M or Tshs 89.94). Pursuant to this declaration, the share register will be closed on 11 April, 2011 and the last day of trading cum dividend shall be on 1 April, 2011. The final dividend will be paid out on or about 24 May, 2011.

Future outlook

Globally, the airline industry is recovering from the effects of the global economic crisis and this is impacting positively on our business. The Company foresees an increase in number of frequencies and volume of cargo in year 2011. Several strategies and plans have been put in place to face future challenges. In view of the global recovery and development within our own market, we are optimistic that the Company's performance during year 2011 will be good.



Juan Jose Andres Alvez
Board Chairman

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 TShs M	2009 TShs M	Change %
Revenue	20,426	18,772	9%
Other operating income	316	47	572%
Total revenue	20,742	18,819	10%
Total operating expenses	14,420	13,151	10%
Operating profit	6,322	5,668	12%
Income tax expense	1,950	1621	20%
Profit for the period	4,372	4,047	8%
Earnings per share	121.44	112.42	8%
Dividend per share	97.17	89.93	8%

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 TShs M	2009 TShs M
Profit before income tax	6,322	5,668
Adjustment for:		
Depreciation	868	856
Provision for retirement benefit obligations	433	533
Gain on disposal of property and equipment	(16)	-
Working capital adjustment		
Decrease in inventories	249	101
Decrease in trade and other receivables	625	1,491
Decrease/(increase) in trade and other payables	979	(791)
Retirement benefit obligations paid	(304)	(767)
Income tax paid	(1,896)	(1,819)
Cash generated from operating activities	7,260	5,272
Investing activities		
Proceeds from disposal of property and equipment	26	-
Purchase of property and equipment	(814)	(1,482)
Net cash used in investing activities	(788)	(1,482)
Financing activities		
Dividends paid to Company's shareholders	(3,327)	(2,623)
Net cash used in financing activities	(3,327)	(2,623)
Net increase in cash and cash equivalents	3,145	1,167
Cash and cash equivalents at 1 January	1,965	798
Cash and cash equivalents at 31 December	5,110	1,965

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 TShs M	2009 TShs M	Change %
ASSETS			
Non-current assets	4,915	4,979	-1%
Deferred tax assets	394	318	24%
Staff receivables	53	42	26%
	5,362	5,339	0%
Current assets			
Inventories	116	365	-68%
Trade and other receivables	2,730	3,366	-19%
Income tax recoverable	-	60	-100%
Cash and cash equivalents	5,110	1,965	160%
	7,956	5,756	38%
Total assets	13,318	11,095	20%
EQUITY AND LIABILITIES			
Equity			
Share capital	360	360	0%
Retained earnings	7,804	6,759	15%
	8,164	7,119	15%
Non-current liabilities			
Retirement benefit obligations	2,364	2,235	6%
	2,364	2,235	6%
Current liabilities			
Trade and other payables	2,720	1,741	56%
Income tax payable	70	-	100%
	2,790	1,741	60%
Total equity and liabilities	13,318	11,095	20%

NOTICE OF THE 26th ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General meeting of Swissport Tanzania Ltd will be held on Wednesday 6th April 2011 at the Zanzibar Room Kilimanjaro Hotel Kempinski, Dar es Salaam, Tanzania starting from 15.00hrs to transact the following business:

1. Confirm the Minutes of the 25th Annual General Meeting.
2. Receive, Consider And Adopt The Directors' Report, The Auditor's Report and The Audited Financial Statements For The Year Ended On 31st December 2010.
3. Declare 2010 Final Dividend.
4. Determine the Remuneration of the Directors.
5. Appoint The External Auditors
6. Determine Any Other Business.

NOTES

A member wishing to attend the meeting must come with a copy of his/her original Depository Receipt.

A member entitled to attend and vote at the meeting is entitled to appoint a PROXY to attend and vote on his/her behalf in accordance with the provisions of the Articles of Association of the Company.

BY ORDER OF THE BOARD

Dated at Dar es Salaam this 14th day of March, 2011



Gaudence Kilasara Temu
CHIEF EXECUTIVE OFFICER

From landing to take-off: we care!

