

FINANCIAL HIGHLIGHTS

OPERATING REVENUE REACHED TAS 14,942M UP BY 14%
PROFIT AFTER TAX UP BY 10.8% TO TAS 3,495M

TOTAL DIVIDEND PER SHARE REACHED TAS 77.65 UP BY 10.8%
EARNINGS PER SHARE UP BY 10.8% TO TAS 97.08

COMMENTARY

Swissport Tanzania Ltd is delighted to report another successful year. Our company achieved significant progress in its financial and transformation process.

Our past investments have enabled us build strong position in the aviation industry which offers long-term growth. Looking back, we continue to lay the foundations for long-term success and value creation in a demanding international business environment. Last year we continued our effort to revamp the fleet of our ground support equipment in order to satisfy our customer needs. We expect the company will continue to make progress in 2007, as the returns from past investments grow while we continue to invest in new technologies and products.

In 2006, the aviation industry continued to be faced with many challenges including security and safety concerns as well as swelling fuel prices. Due to the shareholder misunderstandings, Air Tanzania Company Ltd who is one of our major customers performed below expectations in terms of frequencies, while Oman Air and Yemeni Air stopped their operations into Tanzania. Despite of all these negative impacts, Swissport Tanzania was able to register impressive results.

Total turnover in 2006 amounted to TAS 14,942M which is an increase of 14% above that of the preceding year. Profit before tax reached TAS 5,062M which is an increase of 14% above that of year 2005. Net profit for the year amounted to TAS 3,495M representing 10.8% increase compared to that of 2005.

DIVIDEND

The Board of Directors is pleased to recommend a final dividend of TAS 47.65 per issued and fully paid in share. This is in addition to TAS 30.00 per share that was paid in October, 2006 as interim dividend making the total dividend for the year to reach TAS 77.65 per share which is an improvement of 10.8% over that declared in 2005. The final dividend will be paid less withholding tax on or about 27th April, 2007 to shareholders on register at the close of trading on 5th April, 2007. The Last day of trading Cum-dividend shall be 28th March, 2007.

PROSPECTS

The future of our company appears bright and buoyant despite of the planned liberalization of ground handling business this year. We are aware that liberalization can be beneficial if handled properly but we strongly believe the airports ground handling market in Tanzania and the available infrastructure is still small to allow more than one handler to economically survive without compromising on safety of aircraft, passengers and airport staff. We have therefore applied for an extension of our exclusivity concessions hoping that the Government will delay the process to allow the market to reach an acceptable level and improvement of airport infrastructure to take place. We remain optimistic that our request will be granted.

On behalf of the Board I thank all those who have continued to support our Company. I would also like to pay tribute to my predecessor Mr. Joseph In Albon for his immense contribution towards the growth of our company.

Urs Sieber

Board Chairman.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2006

	2006 TShs M	2005 TShs M	Change %
Revenue			
Ground and cargo handling revenue	14,942	13,108	14
Other revenue	51	82	-38
	<u>14,993</u>	<u>13,190</u>	14
Operating expenses	9,931	8,759	13
Profit before income tax	5,062	4,431	14
Income tax expense	-1,567	-1,276	23
Profit for the year	<u>3,495</u>	<u>3,155</u>	10.8
Earnings per share (TShs) - Basic	97.08	87.64	
- Diluted	97.08	87.64	10.8

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2006

	2006 TShs M	2005 TShs M	Change %
Cash flows from operating activities			
Cash generated from operations	6,074	4,477	
Retirement benefit obligations paid	-398	-121	
Tax paid	-1,549	-1,213	
	<u>4,127</u>	<u>3,143</u>	31
Cash flows from investing activities			
Proceeds from sale of scrapped assets	-	41	
Purchase of property and equipment	-1,771	-1,012	75
	<u>-1,771</u>	<u>-971</u>	
Cash flows from financing activities			
Dividends paid to Company's shareholders	-2,668	-2,052	30
	<u>-2,668</u>	<u>-2,052</u>	
(Decrease)/increase in cash and cash equivalents	<u>-312</u>	<u>120</u>	
Movement in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	1,674	1,554	8
Net (decrease)/increase in cash and cash equivalents	-312	120	
	<u>1,362</u>	<u>1,674</u>	-19
Cash and cash equivalents at the end of the year	<u>1,362</u>	<u>1,674</u>	

BALANCE SHEET AS AT 31ST DECEMBER 2006

	2006 TShs M	2005 TShs M	Change %
ASSETS			
Non-current assets			
Property and equipment	3,868	2,663	
Staff loans	-	9	
	<u>3,868</u>	<u>2,672</u>	45
Current assets			
Inventories	383	425	
Trade and other receivables	3,444	2,585	
Income tax recoverable	19	198	
Cash at bank and in hand	1,362	1,674	
	<u>5,208</u>	<u>4,882</u>	7
Total assets	<u>9,076</u>	<u>7,554</u>	20
EQUITY			
Share capital	360	360	
Retained earnings	6,026	5,199	
Shareholders' equity	<u>6,386</u>	<u>5,559</u>	15
LIABILITIES			
Non-current liabilities			
Retirement benefit obligations	526	831	
Deferred income tax liabilities	210	371	
	<u>736</u>	<u>1,202</u>	-39
Current liabilities			
Trade and other payables	1,954	793	146
Total liabilities	<u>2,690</u>	<u>1,995</u>	35
Total equity and liabilities	<u>9,076</u>	<u>7,554</u>	

NOTICE OF 22ND ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of Swissport Tanzania Ltd will be held on Tuesday 27th March, 2007 at the Kivukoni Conference Room, Moevenpick Royal Palm Hotel, Dar es Salaam, Tanzania starting from 1100 hrs.

AGENDA:

- | No. | Subject |
|-----|--|
| 1. | To Confirm The Minutes Of The 21 st Annual General Meeting. |
| 2. | To Receive, Consider And Adopt The Directors' Report, Auditors' Report and The Audited Financial Statements For The Year Ended On 31 st December, 2006. |
| 3. | To Adopt the Dividend Resolution. |
| 4. | To Determine Remuneration of the Directors. |
| 5. | To Elect Directors To Represent The Minority Shareholders. |
| 6. | To Appoint The External Auditors. |
| 7. | Any Other Business. |

BY ORDER OF THE BOARD

Dated at Dar es Salaam this 7th day of March, 2007.

Gaudence Kilasara Temu
CHIEF EXECUTIVE OFFICER