



## AUDITED RESULTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2007

### COMMENTARY

In 2007 SWISSPORT TANZANIA LTD continued on its positive development path as it recorded reasonable growth on its production, revenues and profitability. On the other hand, we experienced growing impacts on our operational costs resulting from high fuel prices while at the same time, staff salaries were improved for them to cope with the increasing cost of living. The drastic appreciation of the shilling against the dollar impacted negatively on our profitability.

Despite the aforementioned challenges, we recorded yet another strong financial performance with a profit before tax of TAS. 5,166 Million, an increase of 2% compared to what was realized in 2006. Net profit for the year amounted to 3,577 Million which is also 2% compared to that of 2006 (3,495M) Total turnover for the year was TAS 16,691 Million. The company's market capitalisation reached TAS. 25,200 Million as of 31st December, 2007.

### Dividend

The Board of Directors is pleased to recommend a final dividend of TAS 1,602 Million equal to TAS 44.48 per issued and fully paid share. An interim dividend of TAS 1,260 Million or TAS 35.00 per share was approved and was paid in November 2007 making the total dividend for the year to be TAS. 2,862 Million or TAS 79.48 per share as compared to TAS 77.65 that was paid in 2006.

### Closure of The Share Register.

The Register of Members at the Dar es Salaam Stock Exchange (DSE) will close on 14<sup>th</sup> April, 2008 and the last day of trading cum dividend will be 4<sup>th</sup> April, 2008. The final dividend will be paid less withholding tax on or about 30<sup>th</sup> April 2008.

### Prospects

The future outlook appears to be bright and promising despite of many hitches facing the aviation industry as a whole and the global economical turbulence that the world is currently facing. With active promotion of destination Tanzania, the aviation industry in Tanzania is poised to grow even further. Our exclusivity concession for Julius Nyerere International airport was last year extended to 31st December, 2008 while that of Kilimanjaro international was extended to 31st August, 2008. We are aware that the Government is waiting for a consultant's advice on the way forward particularly on the required airport infrastructure before the ground handling business in the country can be liberalized. We appreciate your patience while waiting for the final determination of this matter which has kept us in suspense for quite some time now.

### APPRECIATION

As we appreciate the confidence they have placed on us, we wish to thank all our customers for their support and patronage throughout the year. On behalf of the Board of Directors, I would like to thank all those who supported our position during the public hearing initiated by the Tanzania Civil Aviation Authority to get public views on liberalization of the ground handling industry in Tanzania. I will not be fair if I will not end this commentary by thanking our staff and members of the Management team for making it happen again. Thank you very much.

Urs Sieber  
Board Chairman

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 TShs M	2006 TShs M
Revenue	<u>16,691</u>	<u>14,942</u>
Operating expenses	<u>11,525</u>	<u>9,880</u>
Profit before income tax	<u>5,166</u>	<u>5,062</u>
Income tax expense	<u>(1,589)</u>	<u>(1,567)</u>
Profit for the year	<u>3,577</u>	<u>3,495</u>
Earnings per share (TShs) - Basic	<u>99.35</u>	<u>97.08</u>
- Diluted	<u>99.35</u>	<u>97.08</u>

### BALANCE SHEET AS AT 31 DECEMBER 2007

	2007 TShs M	2006 TShs M
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	<u>4,297</u>	<u>3,868</u>
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<b>Current assets</b>		
Inventories	<u>347</u>	<u>383</u>
Trade and other receivables	<u>4,386</u>	<u>3,444</u>
Income tax recoverable	<u>187</u>	<u>19</u>
Cash at bank and in hand	<u>497</u>	<u>1,362</u>
	<u>5,417</u>	<u>5,208</u>
<b>Total assets</b>	<u>9,714</u>	<u>9,076</u>
<b>EQUITY</b>		
Share capital	<u>360</u>	<u>360</u>
Retained earnings	<u>7,142</u>	<u>6,026</u>
<b>Shareholders' equity</b>	<u>7,502</u>	<u>6,386</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Retirement benefit obligations	<u>342</u>	<u>526</u>
Deferred income tax liabilities	<u>294</u>	<u>210</u>
	<u>642</u>	<u>736</u>
<b>Current liabilities</b>		
Trade and other payables	<u>1,576</u>	<u>1,954</u>
<b>Total liabilities</b>	<u>2,212</u>	<u>2,690</u>
<b>Total equity and liabilities</b>	<u>9,714</u>	<u>9,076</u>

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 TShs M	2006 TShs M
<b>Cash flows from operating activities</b>		
Cash generated from operations	<u>4,734</u>	<u>6,074</u>
Retirement benefit obligations paid	<u>(369)</u>	<u>(398)</u>
Tax paid	<u>(1,671)</u>	<u>(1,549)</u>
Net cash generated from operating activities	<u>2,694</u>	<u>4,127</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	<u>(1,098)</u>	<u>(1,771)</u>
Net cash used in investing activities	<u>(1,098)</u>	<u>(1,771)</u>
<b>Cash flows from financing activities</b>		
Dividends paid to Company's shareholders	<u>(2,461)</u>	<u>(2,668)</u>
Net cash used in financing activities	<u>(2,461)</u>	<u>(2,668)</u>
<b>Decrease in cash and cash equivalents</b>	<u>(865)</u>	<u>(312)</u>
<b>Movement in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the year	<u>1,362</u>	<u>1,674</u>
Net decrease in cash and cash equivalents	<u>(865)</u>	<u>(312)</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>497</u>	<u>1,362</u>

### NOTICE OF THE 23<sup>RD</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 23<sup>rd</sup> Annual General meeting of Swissport Tanzania Ltd will be held on Thursday 27<sup>th</sup> March 2008 at the Kivukoni Conference Room Moevenpick Royal Palm Hotel, Dar es salaam, Tanzania starting from 1100hrs to transact the following business:

- To Confirm the Minutes of the 22<sup>nd</sup> Annual General Meeting.
- To Receive, Consider And Adopt The Directors' Report, Auditor's Report And The Audited Financial Statements For The Year Ended On 31<sup>st</sup> December 2007.
- To Adopt the Dividend Resolution.
- To Determine the Remuneration of the Directors.
- To Appoint The External Auditors
- To 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 11<sup>th</sup> day of March, 2008

Gaudence Kilasara Temu  
CHIEF EXECUTIVE OFFICER