



PRECISION AIR SERVICES PLC

HALF YEAR RESULTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2016



HALF YEAR HIGHLIGHTS 30TH SEPT 2016

| | 30-Sep-16 | 30-Sep-15 |
|--|-------------------|---------------------|
| | TZS '000 | TZS '000 |
| Revenue | | |
| Passenger | 48,849,230 | 32,889,914 |
| Freight & Mail | 419,891 | 354,588 |
| Fuel Surcharge | 7,285,832 | 12,977,504 |
| Total | 56,554,953 | 46,222,006 |
| Direct expenditure | 38,796,998 | 38,158,047 |
| Gross profit | 17,757,955 | 8,063,959 |
| Gross profit margin % | 31% | 17% |
| Other income | 946,810 | 200,421 |
| Indirect expenditure | (16,362,909) | (16,171,563) |
| Finance charges | (3,598,076) | (4,975,983) |
| Foreign exchange loss | 546,669 | (43,438,224) |
| Loss before tax | (709,551) | (56,321,390) |
| Income tax (charge) /credit | (169,665) | (136,911) |
| Loss for the year | (879,216) | (56,458,301) |
| <u>OPERATING STATISTICS</u> | | |
| | 30-Sep-16 | 30-Sep-15 |
| Passengers | 204,029 | 180,722 |
| Revenue Passenger per Kilometre (RPK's) ('000) | 100,055 | 75,310 |
| Available Seats per Kilometre (ASK's) ('000) | 181,934 | 147,567 |
| Passenger Load factor | 55% | 51% |
| Yield per RPK - USc | 22.29 | 19.94 |
| Employees | 441 | 540 |
| ASK's per employee - '000 | 413 | 273 |
| Revenue per employee - US\$'000 | 64 | 43 |
| Loss per employee - US\$'000 | (0.91) | (47.73) |
| Block hours | 8,425 | 6,845 |
| Aircrafts in service at year end | | |
| ATR 72 - 500 | 5 | 5 |
| ATR 42 - 600 | 2 | 2 |
| ATR 42 - 500 | 2 | 2 |
| ATR 42 - 320 | 1 | 1 |
| Total numbers of aircraft | 10 | 10 |
| Grounded aircrafts | | |
| ATR 42 - 320 | 1 | 1 |
| ATR 42 - 600 | 2 | 2 |
| ATR 42 - 500 | 1 | 1 |



**SUMMARY CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 30TH SEPTEMBER 2016**

| | Company 30-Sep-16 TZS '000 | Company 30-Sep-15 TZS '000 |
|---|---|---|
| Revenue | 56,554,953 | 45,637,012 |
| Cost of sales | (38,796,998) | (38,158,047) |
| Gross Profit | 17,757,955 | 7,478,965 |
| Other income | 946,810 | 785,415 |
| Marketing expenses | (972,619) | (295,116) |
| Impairment of receivables | - | - |
| Administrative expenses | (15,390,290) | (15,876,447) |
| | (15,416,099) | (15,386,148) |
| Operating profit /(loss) | 2,341,856 | (7,907,183) |
| Finance costs | (3,598,076) | (4,975,983) |
| Loss on foreign currency exchange | 546,669 | (43,438,224) |
| Loss before tax | (709,551) | (56,321,390) |
| Income tax credit/(expense) | (169,665) | (136,911) |
| Other comprehensive income | | - |
| Total comprehensive income | (879,216) | (56,458,301) |
| Total comprehensive loss | (879,216) | (56,458,301) |
| | (879,216) | (56,458,301) |
| Earning per share - Basic and Diluted (TZS) | (5.48) | (351.83) |



SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | TZS '000 | TZS '000 |
|---------------------------------------|----------------------|----------------------|
| ASSETS | | |
| Non-current assets | | |
| Property and equipment | 102,674,970 | 107,655,593 |
| Non current assets held for sale | | |
| Intangible assets | 224,558 | 61,840 |
| Investment in subsidiaries | - | - |
| Other non-current financial assets | 7,808 | 7,808 |
| Deferred tax asset | | |
| | 102,907,336 | 107,725,241 |
| Current assets | | |
| Inventories | 6,161,955 | 8,331,665 |
| Trade and other receivables | 27,884,442 | 15,508,019 |
| Prepayments | 685,580 | 28,822 |
| Other current financial assets | 3,559,944 | 4,096,974 |
| Cash and short-term deposits | 2,342,988 | 4,662,110 |
| | 40,634,909 | 32,627,590 |
| Non current assets held for sale | 46,488,681 | 46,488,681 |
| | | |
| TOTAL ASSETS | 190,030,926 | 186,841,512 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Issued capital | 3,209,396 | 3,209,396 |
| Share premium | 10,490,987 | 10,490,987 |
| Revaluation reserves | - | - |
| Cashflow hedging reserve | - | - |
| Accumulated losses | (219,057,221) | (218,024,675) |
| | (205,356,838) | (204,324,292) |
| Non-current liabilities | | |
| Interest bearing loans and borrowings | 128,589,178 | 130,153,293 |
| Deferred tax liability | - | - |
| | 128,589,178 | 130,153,293 |
| Current liabilities | | |
| Interest bearing loans and borrowings | 173,142,889 | 171,846,554 |
| Trade and other payables | 85,947,400 | 77,181,408 |
| Sales in advance of carriage | 6,199,042 | 10,372,705 |
| Tax payable | 1,509,255 | 1,611,844 |
| | 266,798,587 | 261,012,511 |
| TOTAL EQUITY AND LIABILITIES | 190,030,926 | 186,841,512 |



SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

| | <u>09/31/2016</u> | <u>31-Mar-16</u> |
|---|---------------------|---------------------|
| | TZS '000 | TZS '000 |
| Operating activities | | |
| Loss before tax | (709,551) | (90,889,703) |
| <i>Adjustments for:</i> | | |
| Depreciation of property and equipment | 11,664,233 | 21,123,969 |
| Gain /(Loss) on disposal of property and equipment | - | (23,425) |
| Amortisation of intangible assets | 11,084 | 53,822 |
| Interest on borrowings | 3,598,076 | 15,484,626 |
| Exchange loss/(gain) on borrowings | 546,669 | 49,707,383 |
| Impairment of subsidiaries | - | 80,418.78 |
| <i>Working capital adjustments:</i> | | |
| Decrease in inventories | 2,169,710 | 543,303 |
| (Decrease)/Increase in trade and other receivables | (12,376,423) | (5,189,779) |
| Decrease /(Increase) in prepayments | (656,758) | 482,084 |
| Increase/(decrease) in deferred revenue as previously stated | (4,173,663) | 2,625,320 |
| Increase /(Decrease) in trade and other payables as previously stated | 8,765,992 | 19,085,401 |
| Prior year adjustment | - | - |
| | 8,839,369 | 13,083,420 |
| Income tax paid | (272,254) | (303,993) |
| Net cash flows from operating activities | 8,567,115 | 12,779,426 |
| Investing activities | | |
| Acquisition of computer software | (161,613) | (11,388) |
| Aircraft security deposit | 537,030 | (484,272) |
| Proceeds from sale of property and equipment | - | 39,000 |
| Purchase of property and equipment | (6,683,762) | (7,451,830) |
| Net cash flows used in investing activities | (6,308,345) | (7,908,490) |
| Financing activities | | |
| -interest | -259,694 | -1,521,608 |
| -principal | -2,276,151 | -1,402,754 |
| Loan reclassified to overdraft | | (7,522,398) |
| Net cash (used in) generated from financing activities | (2,535,845) | (10,446,760) |
| Net (decrease)/increase in cash and cash equivalents | (277,075) | (5,575,823) |
| Cash and cash equivalents at start of the year | (11,139,522) | (5,563,699) |
| Cash and cash equivalents at year end | (11,416,597) | (11,139,522) |