1time Holdings Limited

(formerly 1time Holdings (Proprietary) Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1999/017536/06)
(JSE code: 1TM ISIN: ZAE000102026)
("1time" or "the company")

Prospectus

Prepared and issued in terms of the Listings Requirements ("the Listings Requirements") of the JSE Limited ("JSE") and the Companies Act, 1973 (Act 61 of 1973), as amended ("Act"), relating to a private placement of 1time ordinary shares by way of an offer by the company for the subscription of 30 000 000 ordinary shares in the issued share capital of the company at an issue price of 100 cents per ordinary share thereby raising R30 million before expenses and an offer for sale of 30 000 000 ordinary shares in the issued share capital of the company by the existing shareholders at a price of 100 cents per ordinary share (together, "the private placement") and the subsequent listing of the ordinary shares of 1time on the Alternative Exchange ("ALT^X") of the JSE.

Opening date of private placement at commencement of trade on	Monday, 6 August 2007
Closing date of private placement at 12.00 on*	Tuesday, 7 August 2007
Anticipated listing date on ALT^X at commencement of trade on	Tuesday, 14 August 2007

** Shareholders wishing to receive shares in dematerialised form must advise their Central Securities Depository Participant ("CSDP") or broker of their acceptance of the offer to subscribe for or to purchase shares in the manner and by the cut-off time stipulated by their CSDP or broker.*

This prospectus is not an invitation to the general public to subscribe for or to purchase shares in 1time. This is an offer to selected members of the public to subscribe for or to purchase shares in 1time and is issued in compliance with the Listings Requirements and the Act for the purpose of providing information to the public and investors with regard to 1time.

Prior to the listing date, the issued share capital of 1time will comprise 180 000 000 shares of 0.01 cent each and the share premium account will total R18 729 117. At the date of listing, the authorised share capital of 1time will comprise 1 000 000 000 ordinary shares having a par value of 0.01 cent each. After the private placement and at the date of the listing the issued share capital of 1time will consist of 210 000 000 ordinary shares of 0.01 cent each and the share premium account will total R48 726 117.

The ordinary shares issued and sold in terms of the private placement will rank *pari passu* with all other ordinary shares issued by 1time. Applications for shares in 1time must be for a minimum of 5 000 ordinary shares and in multiples of 1 000 ordinary shares thereafter.

Subject to the required spread of public shareholders in terms of the Listings Requirements being obtained pursuant to the private placement, the JSE has granted 1time a listing in respect of 210 000 000 ordinary shares on ALT^X under the abbreviated name "1time", share code 1TM and ISIN: ZAE000102026, with effect from the commencement of business on Tuesday, 14 August 2007.

The directors of 1time, whose names are set out in Annexure 1 to this prospectus, accept, collectively and individually, full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this prospectus contains all information required by law and the Listings Requirements.

Nexia HBLT Chartered Accountants (East Rand) Inc, Registered Auditors, whose reports are included in this prospectus, have given and have not, prior to publication, withdrawn their written consent to the inclusion of their reports in the form and context in which they appear. The Designated Adviser, attorneys, commercial banker and transfer secretaries, whose names are set out in this prospectus, have given and have not, prior to registration, withdrawn their written consents to the inclusion of their names in the capacities stated and, where applicable, to their reports being included in this prospectus.

An English copy of this prospectus, accompanied by the documents referred to under "Documents available for inspection" as set out in paragraph 34 of this prospectus, was registered by the Registrar of Companies on Thursday, 2 August 2007 in terms of section 155(1) of the Act.

Designated Adviser	Auditors and reporting accountants	Joint attorneys	
exchange sponsors	NEXIA Chartered Accountants (S.A.) Registered Accountants and Auditors	ROBERT MITCHLEY ATTORNEYS	strb SMITH TABATA BUCHANAN BOYES ATTORNEYS

Date of issue: 2 August 2007

CORPORATE INFORMATION

Directors

S M Twala	*(Non-Executive Chairman)*
G W Orsmond	*(Chief Executive Officer)*
G W Harrison	
R L James	
M J Kaminski	
R M Loader**	
S J Petersen	
M Snyman	
G L Wishart*	

* Non-executive

** Alternative non-executive

All the directors are South African

Company Secretary and registered office

M Snyman, CA(SA)
Unit D2
Isando Industrial Park
Gewel Road
Isando, 1600
(PO Box 7110, Bonaero Park, 1622)
Telephone: (011) 928 8000
Facsimile: 086 680 4187

Transfer secretaries

Computershare Investor Services 2004 (Pty) Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)
Telephone: (011) 370 5000
Facsimile: (011) 688 5210

Joint attorneys

Smith Tabata Ramsay Webber Buchanan Boyes Inc
(Registration number 1996/002565/21)
269 Oxford Road
Illovo, 2196
(PO Box 55232, Northlands, 2117)
Telephone: (011) 778 0600
Facsimile: (011) 778 0677

Robert Mitchley Attorney
(Sole Proprietor)
1 Stuurboord Drive
Beachview
Port Elizabeth, 6070
(1 Stuurboord Drive, Beachview, Port Elizabeth, 6070)
Telephone: (041) 378 2598
Facsimile: 0866 218 372

Designated Adviser

Exchange Sponsors (Pty) Limited
(Registration number 1999/024433/07)
39 First Road
Hyde Park, 2196
(PO Box 411216, Craighall, 2024)
Telephone: (011) 447 2951
Facsimile: (011) 447 1929

Auditors and reporting accountants

Nexia HBLT Chartered Accountants
(East Rand) Inc
(Practice number 902317E)
Nexia House, No. 9 Lakeside Place
Kleinfontein, Benoni, 1500
(PO Box 663, Benoni, 1500)
Telephone: (011) 421 8374
Facsimile: 0866 002 924

Commercial banker

Standard Bank Group Limited
(Registration number 1969/017128/06)
Corporate Account Services Isando
Corner Cram and Monteer Roads
Isando
Kempton Park, 1600
(PO Box 1775, Boksburg, 1459)
Telephone: 0860 101 341
Facsimile: (011) 392 1371

Date of incorporation: 13 August 1999

TABLE OF CONTENTS

The definitions commencing on page 11 of this prospectus apply *mutatis mutandis* to the following table of contents:

SALIENT FEATURES

The salient features are a summary only. For a full appreciation, this prospectus should be read in its entirety. The definitions commencing on page 11 of this prospectus apply *mutatis mutandis* to the salient features.

1. INCORPORATION AND HISTORY

1.1 Following 11 September 2001, the world aviation market was cast in turmoil. Passenger volumes dropped and aircraft values collapsed. This was the ideal environment for entrepreneurs to plan the formation of a new aviation group.

1.2 Many domestic competitors acquired aircraft prior to 11 September 2001 when the value of the Rand was weak and aircraft prices were high. Consequently, their cost structures remain high. The strengthening of the Rand created an opportunity to start a new airline with a low cost base and a clean slate.

1.3 In August 2003, Glenn Orsmond, the then Financial Director of Comair, teamed up with Rodney James, Gavin Harrison and Sven Petersen, who owned an aircraft maintenance company, to launch a new airline.

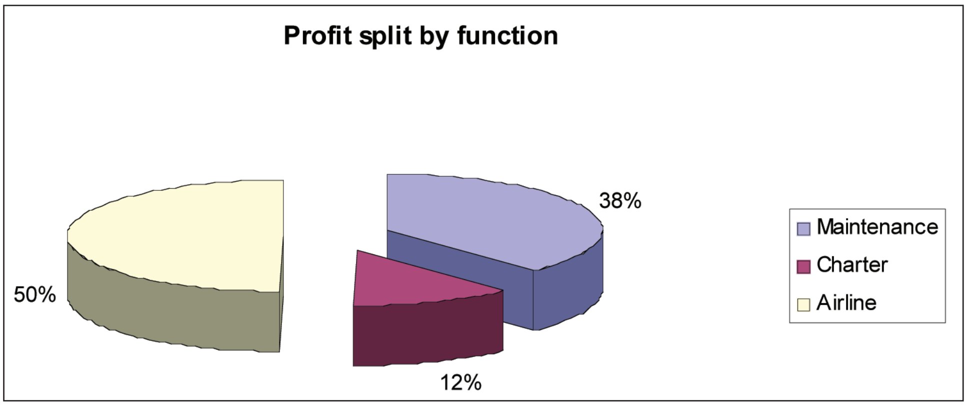
1.4 Michael Kaminski, an IT entrepreneur, and Mogwele, a black economic empowerment partner, were attracted as additional investors.

1.5 1time Airline's first flight took place on 26 February 2004 on the Johannesburg – Cape Town route.

2. NATURE OF THE COMPANY'S BUSINESS AND INDUSTRY

2.1 1time is a diversified aviation group with the following focus areas: an airline, an aircraft maintenance business and charter business. It intends launching an airfreight business within the next three years.

2.2 Income is derived from a mix of passenger ticket sales, maintenance and charters, and ancillary revenue from car rentals, accommodation, advertising, cargo and catering. The group's profits for 2006 comprise the following:



2.3 **1time Airline** is the second largest low-fare private airline in South Africa (by domestic market share) after Comair. It offers tickets at low prices but only renders services on selected routes where it can make a profit. The marketing slogan of 1time Airline is: "more nice, less price". This encapsulates its business philosophy of a more pleasant flying experience for the customer at a lower price. 1time Airline has ten aircraft and currently offers about 33 flights per day on eight domestic routes. As far as 1time Airline is aware, it has the lowest cost per available seat-kilometre on its chosen domestic routes in South Africa.

2.4 1time Airline's major competitive advantages are as follows:

- it has a low cost structure resulting from the following:
  - started with a clean slate with no historical overhead structure;
  - low aircraft acquisition costs at the time of establishment (2003);
  - standardised fleet;
  - maintenance operations are owned; and
  - continued strengthening of the Rand since establishment has minimised aircraft acquisition costs;
- the airline's ancillary sources of revenue;
- easy to use Internet-based booking system where passengers only require their identity book for check in purposes;
- owner orientated management; and
- its experienced staff.

2.5 **Aeronexus Technical**, a wholly-owned subsidiary of 1time, provides a comprehensive maintenance service for 1time Airline's fleet as well as several other South African and African operators. Aeronexus Technical is currently operating at full capacity with a two-bay hanger facility at O.R. Tambo International Airport. It has developed a market niche for its target market with competitive pricing (in US dollars) and quality maintenance work.

2.6 **1time Charters**, 1time's wholly-owned charter business, offers charters to any destination in Africa and the Indian Ocean islands on either a MD 82 (157 seater) or a DC-9 (110 seater). 1time Charters currently cannot meet the demand from governments, international bodies and corporate clients. It plans to create an arrival and departure facility for the convenience of passengers at its premises at O.R. Tambo International Airport.

2.7 **Aeronexus Corporate** manages and operates a B727 VIP jet on behalf of the Djibouti Government. The jet is also chartered throughout the world. The 727 has been luxuriously reconfigured to meet the needs of guests. It transports heads of state, world leaders and high-powered businessmen. Recently the 727 transported Bill Clinton on his African tour.

3. PROSPECTS

3.1 The aviation industry is forecasted to transport approximately 12.5 million domestic passengers in South Africa during 2007. The domestic market has grown by approximately 14% per annum over the last three years whilst achieving a growth rate of 70% over the past five years.

3.2 The airline market in South Africa has historically grown at a multiple of 2 times the growth in Gross Domestic Product. This is expected to continue in the foreseeable future.

3.3 In addition, the market is poised to benefit strongly from events, such as the 2010 FIFA World Cup, which are to be hosted in South Africa.

3.4 Notwithstanding the significant growth achieved by low fare airlines, it is estimated that less than 10% of South Africans travel by air. This augurs well for the future growth of this market segment. 1time Airline expects a 20% increase in passenger numbers this year.

3.5 1time intends growing by increasing its market share in all four its focus areas and by increasingly "feeding off itself".

3.6 1time Airline's marketing strategy will be to expand its leisure market as well as to encourage the corporate market to make use of its excellent value for money service.

3.7 1time Airline will consider flying profitable routes into Africa when these routes become available.

3.8 1time intends to extract further value through ancillary revenue opportunities such as advertising, car rentals, websites and accommodation.

3.9 Aeronexus Technical plans to double its hanger facility to four bays to satisfy current demand for technical maintenance from third parties and from 1time Airline itself. Additional investment will also be made in inventories, equipment, staff and training so as to further expand the maintenance business.

3.10 The planned establishment of a Pratt & Whitney JT8D engine maintenance facility will complement the current maintenance services as this is the dominant engine type for aircraft maintained by Aeronexus Technical. At present, only one other such engine maintenance facility exists in Africa.

3.11 Currently, 1time Charters cannot meet the demand from governments, international bodies and corporate clients for charters. It plans to create an arrival and departure facility for the convenience of passengers at its premises at O.R. Tambo International Airport.

3.12 1time intends to launch an airfreight business within the next three years.

3.13 Listing will lead to a higher profile in the corporate market and better terms with bankers and fuel suppliers.

4. SUMMARY OF HISTORICAL AND FORECAST INCOME STATEMENTS

The summarised historical and forecast financial information of 1time for the financial year ended 31 December 2006, and the financial years ending 31 December 2007 and 31 December 2008, the preparation of which is the responsibility of the directors, are set out below. This financial information must be read in conjunction with the independent reporting accountants' report thereon reproduced in Annexures 3, 4 and 5.

1time's results for the second half of the year have traditionally been stronger than the first half due to the seasonality of 1time Airline's business, in particular, over the festive season.

Extracts from the historical and forecast income statements

	Audited 31 December 2006 R'000	**Forecast 31 December 2007 R'000**	**Forecast 31 December 2008 R'000**
Gross revenue	**491 390**	**621 219**	**714 262**
Operating costs	(462 808)	(579 755)	(663 052)
EBITDA	**28 582**	**41 464**	**51 210**
Depreciation	(3 352)	(3 000)	(3 500)
Operating profit	**25 230**	**38 464**	**47 710**
Loss on foreign exchange	(397)	–	–
Discount on purchase	3 045	–	–
Profit on disposal of non-current assets	2 203	–	–
Investment income	2 641	1 342	1 321
Interest paid	(5 272)	(4 572)	(3 707)
Profit before taxation	**27 450**	**35 234**	**45 324**
Taxation	(6 877)	(10 218)	(13 144)
Earnings attributable to ordinary shareholders	**20 573**	**25 016**	**32 180**
Discount on purchase	(3 045)	–	–
Profit/(Loss) on disposal of non-current assets	(2 203)	–	–
Headline earnings attributable to ordinary shareholders	**15 325**	**25 016**	**32 180**
Pro forma weighted average shares in issue	180 000 000	191 260 274	210 000 000
Pro forma earnings per share (cents)	11.43	13.08	15.32
Pro forma headline earnings per share (cents)	8.51	13.08	15.32

Notes:

(1) The *pro forma* number of shares in issue for 31 December 2006 is based on the sub-division and increase of the ordinary shares in issue into 180 000 000 ordinary shares in issue on the last practicable date as set out in paragraph 23.3 of this prospectus.

(2) The assumptions upon which the forecast income statements are based are set out in paragraph 11.3 of this prospectus.

5. PURPOSE OF THE PRIVATE PLACEMENT AND THE LISTING

5.1 The purpose of the placement and the listing is to:

- raise R30 million capital to take full advantage of growth opportunities with respect to:
  - completing the upgrade of its airline fleet to make it noise and emission (Stage 3) compliant;
  - doubling its maintenance and hangar capacity;
  - establishing a Pratt & Whitney jet engine maintenance facility;
  - expanding its charter business;
  - settling aircraft financing debt of approximately R5 million;
- improve the free float and liquidity of the shares by the placement of vendor shares;
- enhance the company's corporate profile;
- enhance general public awareness of 1time and its diversified businesses;
- afford members of the investing public, clients and associates of 1time the opportunity to participate directly in the future growth and earnings potential of the company;
- broaden 1time's shareholder base and to obtain the spread of at least 100 shareholders required to hold a minimum of 10% of 1time's issued shares for the purpose of the listing of 1time's ordinary shares on the ALT^{X};
- provide the platform for the company to pursue its vision of becoming the most profitable aviation group in South Africa without compromising its aircraft safety.

5.2 The private placement is made up of an offer by 1time for the subscription of 30 000 000 ordinary shares at an issue price of 100 cents per share and an offer for sale by the existing shareholders of 30 000 000 ordinary shares at a price of 100 cents per share. A total amount of R30 000 000, before issue and listing expenses, will be raised by the company in terms of the offer for subscription to selected private individuals, corporations and institutions. The proceeds of the private placement will be applied firstly to the offer for subscription (R30 million), which will allow the company to accelerate its growth as set out in paragraph 3 above. Thereafter, the proceeds of the private placement will be applied to the offer for sale (R30 million), which will enable the existing shareholders to realise part of their investment in the company and to improve the public spread of 1time's ordinary shares.

5.3 Those private individuals, corporations and institutions who have been invited to apply should do so by completing the attached private placement application form in accordance with the provisions of this prospectus and the instructions contained in the private placement application form.

5.4 No offer will be made to the general public in terms of the private placement. The private placement will be made to selected applicants only.

5.5 Subject to the achievement of the required spread of public shareholders, the JSE has formally approved the listing of 210 000 000 ordinary shares in the share capital of 1time on ALT^{X} with effect from commencement of business on Tuesday, 14 August 2007. The shares will trade under the abbreviated name "1time", with the JSE code 1TM and ISIN: ZAE000102026.

6. DETAILS OF THE PLACEMENT

6.1 Salient features

6.1.1 The salient features of the private placement are as follows:

Offer price per ordinary share (cents)	100
Par value per ordinary share (cents)	0.01
Premium per ordinary share (cents)	99.99
Number of ordinary shares offered by the company for subscription in terms of the private placement	30 000 000
Issue consideration to be received by the company, before expenses	R30 million
Number of ordinary shares offered for sale by the existing shareholders in terms of the private placement	30 000 000
Total consideration to be received by the existing shareholders	R30 million

6.1.2 The opening and closing dates of the private placement are as follows:

Opening date of the private placement at commencement of trade on	Monday, 6 August 2007
Closing date of private placement at 12:00 on	Tuesday, 7 August 2007
Anticipated listing date on ALT^{X} at commencement of trade on	Tuesday, 14 August 2007

6.1.3 The private placement will not be underwritten and is not subject to a minimum subscription being achieved. The proceeds received in terms of the private placement will be applied firstly to the offer for subscription and thereafter to the offer for sale. Applications for shares in 1time must be for a minimum of 5 000 ordinary shares and in multiples of 1 000 ordinary shares thereafter.

7. COPIES OF THE PROSPECTUS

Copies of the prospectus, in English, may be obtained during business hours, from Monday, 6 August 2007 from the registered office of 1time and the offices of Exchange Sponsors (Pty) Limited and the transfer secretaries, details of which are set out in the "Corporate information" section of this prospectus.

IMPORTANT DATES AND TIMES

	2007
Abridged prospectus released on SENS on	Monday, 6 August 2007
Opening date of the private placement at commencement of trade on	Monday, 6 August 2007
Closing date of private placement at 12:00 on	Tuesday, 7 August 2007
Listing of 1time on ALT^{X} at commencement of trade on	Tuesday, 14 August 2007
Accounts at CSDP or broker updated in respect of dematerialised shareholders on (1)	Tuesday, 14 August 2007
Posting of share certificates in respect of certificated shareholders on or about	Tuesday, 14 August 2007
Refund of surplus private placement application monies received (where applicable) on	Wednesday, 15 August 2007

Notes:

(1) CSDP's effect payment on a delivery versus payment basis.

(2) The above dates are subject to change. Any such change will be released on SENS.

(3) Shareholders wishing to receive shares in dematerialised form must advise their CSDP or broker of their acceptance of the offer to subscribe for or to purchase shares in the manner and by the cut-off time stipulated by their CSDP or broker.

DEFINITIONS

In this prospectus, annexures and the attachment hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa* and the words in the first column hereunder have the meanings stated opposite them in the second column, as follows:

"1time" or "the company"	1time Holdings Limited (Registration number 1999/017536/06), a company incorporated in accordance with the laws of South Africa and converted to a public company on 13 July 2007 when it also changed its name to 1time Holdings Limited from 1time Holdings (Proprietary) Limited;
"1time Airline"	1time Airline (Proprietary) Limited (Registration number 2003/020975/07), a company incorporated in accordance with the laws of South Africa, a wholly-owned subsidiary of 1time;
"1time Charters"	Egoli Air (Proprietary) Limited trading as 1time Charters (Registration number 1999/013639/07), a company incorporated in accordance with the laws of South Africa, a wholly-owned subsidiary of 1time;
"1time group"	1time and its subsidiary companies;
"ACSA"	Airports Company South Africa Limited;
"Act"	the Companies Act, 1973 (Act 61 of 1973), as amended;
"Aeronexus Technical"	Aeronexus Technical (Proprietary) Limited (Registration number 1999/006088/07), a company incorporated in accordance with the laws of South Africa, a wholly-owned subsidiary of 1time;
"Aeronexus Corporate"	Aeronexus Corporate (Proprietary) Limited (Registration number 2002/022842/07, a company incorporated in accordance with the laws of South Africa, a wholly-owned subsidiary of 1time;
"ALT^X"	the Alternative Exchange of the JSE;
"ASK"	available seat-kilometre;
"applicants"	selected private individuals, corporations and institutions who have been invited to subscribe for or to purchase ordinary shares in terms of the private placement;
"application form"	the application form in respect of the private placement, attached to and forming part of this prospectus;
"auditors" or "independent reporting accountants"	the present auditors of 1time, Nexia HBLT Chartered Accountants (East Rand) Inc (Practice number 902317E), Registered Auditors;
"Avstar"	Avstar Group (Proprietary) Limited (Registration number 2006/020686/07), a company incorporated in accordance with the laws of South Africa;
"BEE"	Black Economic Empowerment;
"British Airways" or "BA"	the brand name under which Comair operates a premium airline in Southern Africa;
"business day"	any day other than a Saturday, Sunday or official public holiday in South Africa;

"cents"	South African cents in the official currency of South Africa;
"certificated shareholders"	shareholders who elect to receive certificated shares;
"certificated shares"	ordinary shares, in respect of which physical 1time share certificates will be issued;
"common monetary area"	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
"consolidated accounts"	the consolidated financial accounts of 1time;
"CSDP"	a Central Securities Depository Participant, accepted as a participant in terms of the Securities Services Act, 2004 (Act 36 of 2004), as amended, appointed by an individual shareholder for purposes of, and in regard to, the dematerialisation of documents of title for purposes of incorporation into the Strate system;
"Comair"	Comair Limited (Registration number 1967/006783/06), a company incorporated in accordance with the laws of South Africa, operating British Airways and Kulula;
"dematerialised shareholder"	a shareholder who holds ordinary shares which have been incorporated into the Strate system and which are no longer evidenced by physical documents of title in terms of the Securities Services Act, 2004 (Act 36 of 2004), as amended;
"Designated Adviser"	Exchange Sponsors (Pty) Limited (Registration number 1999/024433/07), a company incorporated in accordance with the laws of South Africa, a Designated Adviser as defined in the Listings Requirements;
"directors" or "board of directors"	the directors of 1time, further details of whom appear in Annexure 1;
"documents of title"	share certificates, certified transfer deeds in respect of balance receipts or any other documents of title acceptable to 1time in respect of ordinary shares;
"EBITDA"	earnings before interest, taxation, depreciation and amortisation;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
"GDP"	Gross Domestic Product;
"IFRS"	International Financial Reporting Standards, which comprise standards and interpretations approved by the International Accounting Standards Board, International Financial Reporting Interpretations Committee and International Accounting Standards, and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee;
"incorporation"	the date of incorporation of 1time, being 13 August 1999;
"JSE"	JSE Limited (Registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004), as amended;
"King Code"	King Report on Corporate Governance for South Africa, 2002;
"Kulula"	the low-fare airline operated by Comair;

"the last practicable date"	the last practicable date prior to the finalisation of this prospectus, being 30 July 2007;
"the listing"	the proposed listing of the entire issued share capital of 1time on ALT^{X}, on Tuesday, 14 August 2007;
"Listings Requirements"	the Listings Requirements of the JSE;
"load factor"	the average percentage of seats sold on each flight;
"MD"	McDonnell Douglas, an American aircraft manufacturer;
"Mogwele"	Mogwele Trading 3 (Proprietary) Limited (Registration number 2003/026446/07), a company incorporated in accordance with the laws of South Africa;
"non-resident"	a person whose registered address is outside the common monetary area and who is not an emigrant;
"offer for sale"	an offer, forming part of the private placement, in terms of which the existing shareholders are offering for sale 30 000 000 ordinary shares at a price of 100 cents per ordinary share;
"offer for subscription" or "subscription"	an offer, forming part of the private placement, in terms of which the company is offering for subscription 30 000 000 new ordinary shares at an issue price of 100 cents per ordinary share;
"ordinary shares"	ordinary shares of 0.01 cent each in the share capital of the company;
"own-name registration"	shareholders who will hold ordinary shares which have been dematerialised and are recorded by a CSDP on the register kept by that CSDP in the name of such shareholders;
"private placement" or "placement"	the private placement of 60 000 000 ordinary shares in terms of the offer for sale and the offer for subscription at 100 cents per ordinary share to selected institutions, corporations and individuals for cash;
"this prospectus"	this bound document, dated 2 August 2007, including all annexures and the attachment hereto;
"Rand" or "R"	South African Rand, the official currency of South Africa;
"Registrar of Companies"	the Registrar of Companies in South Africa;
"SAA"	South African Airways Limited;
"SA GAAP"	South African Generally Accepted Accounting Practice;
"SARB"	South African Reserve Bank;
"SENS"	the Securities Exchange News Service of the JSE;
"South Africa"	the Republic of South Africa;
"shareholders"	holders of ordinary shares;
"STC"	Secondary Tax on Companies;
"Strate"	the settlement and clearing system used by the JSE, managed by Strate Limited (Registration number 1998/022242/06), a company incorporated in accordance with the laws of South Africa;
"transfer secretaries"	Computershare Investor Services 2004 (Pty) Limited (Registration number 2004/003647/07), a company incorporated in accordance with the laws of South Africa; and
"VAT"	Value-Added Tax as defined in the Value-Added Tax Act, 1991 (Act 89 of 1991), as amended.

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(formerly 1time Holdings (Proprietary) Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1999/017536/06)
(JSE code: 1TM ISIN: ZAE000102026)
("1time" or "the company")

Directors

S M Twala *(Non-executive Chairman)*
G W Orsmond *(Chief Executive Officer)*
G W Harrison
R L James
M J Kaminski
R M Loader**
S J Petersen
M Snyman
G L Wishart*

* Non-executive

** Alternative Non-executive

All the directors are South African

PROSPECTUS

1. INTRODUCTION

1.1 1time intends to list on ALT^X to raise capital in order to take full advantage of various growth opportunities.

1.2 The concomitant placement of vendor shares will assist in improving the free float and liquidity of the shares.

1.3 A listing will further enhance the corporate profile and general public awareness of the 1time group and its diversified businesses.

1.4 Upon listing, members of the investing public, clients and associates of 1time will be afforded the opportunity to participate directly in the future growth and earnings potential of the company.

1.5 The listing will provide the platform for the company to pursue its vision of becoming the most profitable aviation group in South Africa without compromising its aircraft safety.

2. INCORPORATION AND HISTORY

2.1 Following the attack on the twin towers in New York on 11 September 2001, the world aviation market was cast in turmoil. Passenger volumes dropped and aircraft values collapsed. This was the ideal environment for entrepreneurs to plan the formation of a new aviation group.

2.2 Many domestic competitors acquired aircraft prior to 11 September when the value of the Rand was weak and aircraft prices were high. Consequently, the cost structures of those airlines remain high. The strengthening of the Rand resulted in an opportunity to start a new airline with a low cost base and a clean slate.

2.3 In August 2003, Glenn Orsmond, the then Financial Director of Comair, resigned and teamed up with Rodney James, Gavin Harrison and Sven Petersen, who owned an aircraft maintenance company, to launch a new airline.

2.4 Michael Kaminski, an IT entrepreneur, and Mogwele, a BEE partner, were attracted as additional investors.

2.5 1time Airline's first flight took place on 26 February 2004 on the Johannesburg – Cape Town route.

2.6 A price war commenced shortly before the launch of 1time Airline, which lasted approximately six months, but 1time survived and prospered, winning numerous ACSA Feather Awards for the best domestic low fare airline over the past three years.

3. INDUSTRY BACKGROUND

3.1 Regulation of the industry

At international level air transport is economically regulated by a complex network of bilateral and multi-lateral agreements between countries, as well as the rules of the International Air Transport Association ("IATA") based on the Chicago Convention of 1944. The International Civil Aviation Organisation ("ICAO") was established in 1945 and focuses on regulatory aspects governing safety and infrastructure. Competition has increased as a result of measures adopted by various countries to deregulate the industry. The domestic market is deregulated allowing an open skies policy for all holders of an air service licence.

3.2 Growth

Passengers reconsidered travel arrangements after the attacks in New York on 11 September 2001 and it took the industry a few years to recover. However the growth curve is firmly back on track. This can be attributed to the growth in the global economy, as well as to the advent of the so-called low-fare airlines, which have made flying a safe, economical and cost-efficient alternative for many who have not flown previously, or not as regularly.

3.3 Safety

Airlines must adhere to strict aircraft maintenance standards and requirements as prescribed by the aircraft manufacturer, ICAO, and Civil Aviation Authorities. Aeronexus Technical has over 15 years of experience in maintaining aircraft.

3.4 Assets and cost structure

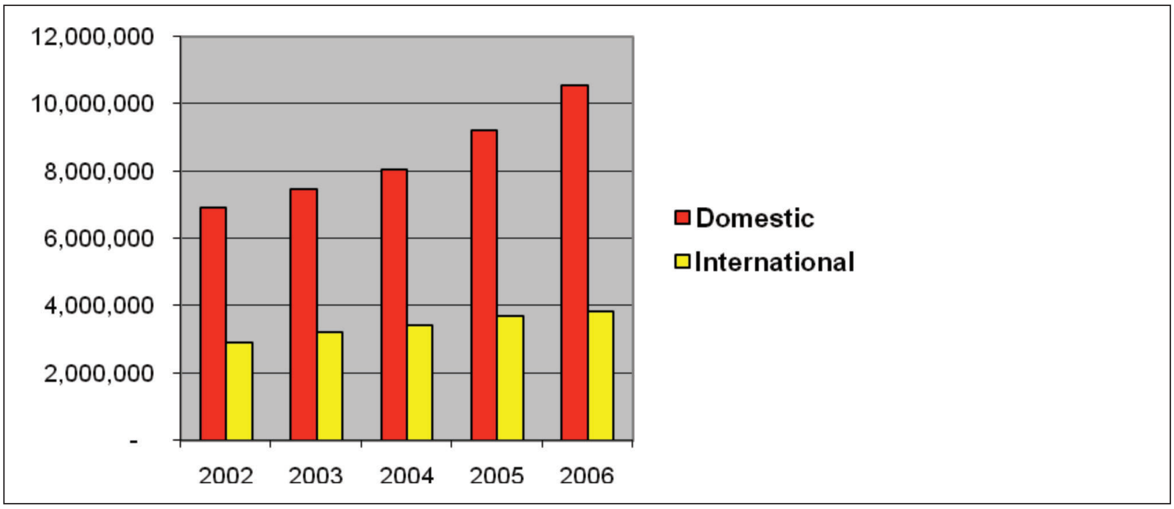
The airline industry's largest assets are typically aircraft, which generally maintain reasonably good resale values. Airlines have relatively small fixed overheads at terminals and airport facilities. Fuel costs amount to a substantial proportion of an airline's total operational expenses, as well as staff expenditure. A newer operational fleet of aircraft generally has a higher capital cost and a lower variable cost.

3.5 Technology

Sophisticated booking systems linked to call centres are vitally important to airlines. Low-fare airlines rely on call centres and the Internet for bookings.

3.6 South African Airline industry

In 1991 the domestic market was deregulated and currently competition amongst the airlines is fierce. According to figures released by ACSA for the year ended 31 March 2007, passenger numbers at ACSA's airports have grown significantly over the last five years.



Over a period of six years, the departing passengers on domestic routes have increased by 70% from 6.9 million in 2002 to 11.8 million in March 2007.

The market is poised to benefit strongly from events, such as the 2010 FIFA World Cup, which is to be hosted in South Africa.

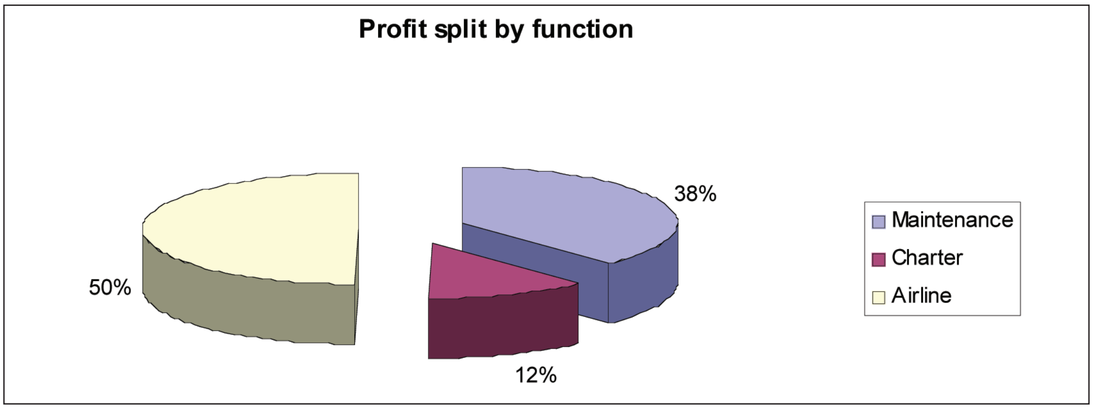
Notwithstanding the huge growth in the business of low fare airlines, it is estimated that less than 10% of South Africans travel by air. This augurs well for the future growth of this market segment. 1time Airline predicts a 20% increase in passenger numbers this year.

4. NATURE OF BUSINESS

4.1 Diversified aviation group

4.1.1 1time is a diversified aviation group with the following focus areas: an airline, an aircraft maintenance business and charter business. It intends launching an airfreight business within the next three years. There has been no material change in the business of 1time since its inception.

4.1.2 Income is derived from a mix of passenger ticket sales, maintenance and charters, and ancillary revenue from car rentals, accommodation, advertising, cargo and catering. 1time group's profits for 2006 comprise the following:



4.2 Passenger airline

4.2.1 Low-fare passenger airline

1time Airline is the second largest private airline in South Africa (by domestic market share) after Comair. It offers tickets at low prices but only renders services on selected routes where it can make a profit. The marketing slogan of 1time Airline is: "more nice, less price". This encapsulates its business philosophy of a more pleasant flying experience for the customer at a lower price.

4.2.2 *Fleet*

1time Airline‘s fleet consists of four MD82’s, two MD83’s, three DC9-30’s and a DC9-15 with seat capacities of 157, 157, 110 and 85, respectively. There are hundreds of MD’s in daily operation in the United States of America which currently have an in service cost of approximately R30 million each.

4.2.3 *Costs*

1time Airline’s cost per available seat-kilometre (“ASK”), one of the standard benchmarks in the industry, is 34.5 cents compared to that of SAA, which is currently at 63.7 cents. As far as 1time Airline is aware, it has the lowest cost per ASK on its chosen domestic routes in South Africa and compares favourably with global industry leaders Ryan Air and South West Airlines.

4.2.4 *Routes*

1time Airline currently offers about 33 flights per day on the following eight routes: Johannesburg – Cape Town, Johannesburg – Durban, Durban – Cape Town, Johannesburg – East London, Johannesburg – Port Elizabeth, Port Elizabeth – Cape Town, East London – Cape Town and Johannesburg – George.

The airline is flexible and able to discontinue flights on routes which are not profitable. 1time aims to give the passenger a unique flying experience, from booking to disembarkation. Its business is generated by repeat business from satisfied customers. Major corporates and travel agencies are attracted to 1time’s value for money service.

4.2.5 *Booking*

Most of 1time Airline’s bookings are generated via its own Internet-based booking system, the balance being made via its call centre and a small percentage being generated at airports. A reservation is only valid and confirmed after payment has been received. Should 1time Airline passengers wish to reschedule their flights, they are charged a nominal change fee. Should they miss a flight, they are not refunded; instead they can pay a nominal fee to be on stand-by for the next flight. 1time Airline offers its passengers the ease of booking – no credit card or ticket has to be produced at the airport counter, only an identity document.

4.2.6 *Other sources of income*

Snacks, soft drinks and alcoholic beverages are available for sale on board flights. 1time’s website (*1time.co.za)* receives more than half a million visits per month. The airline earns ancillary revenue from the following sources:

- Avis, the airline’s car rental partner;
- City Lodge, the airline’s accommodation partner;
- advertising, *inter alia*, on and in its aircraft and website;
- selling belly space to cargo agents; and
- catering.

4.2.7 *Revenue management and pricing*

1time Airline maximises its revenue by using a sophisticated software system operated by an experienced revenue management team. The team continuously adjusts fares to stimulate and/or meet demand, thereby optimising load factors and income to maximise the revenue per flight.

4.2.8 *Service standards*

Service standards have been set for all key aspects of service delivery which are continuously monitored by management. Passengers’ perceptions of the overall flight experience are frequently and randomly gauged by independent inspectors called ghost flyers.

4.2.9 *Competitive analysis*

The premium carriers on the domestic routes are SAA, SA Express, Airlink, British Airways and Nationwide.

SA Express, a regional carrier, is currently still owned by Transnet, but will be transferred to the Department of Public Enterprises later in the year. Airlink and Nationwide are privately owned businesses. British Airways is operated by Comair.

The two low-fare competitors of 1time Airline are Kulula and Mango. Kulula forms part of Comair, whereas Mango is SAA's low-fare operator.

Airlines attempt to standardise their fleets, in order to simplify training, logistics and maintenance costs.

The table below summarises the aircraft characteristics and the focus points of the different airlines.

Airline	Aircraft Domestic fleet	Aircraft class (number of seats)	Routes
SAA	B737-800/A319	100 –150	National/Regional
BA/Comair	B737-200/300/400	110 –160	National/Regional
Kulula	B737-400/MD 82	160	National
1Time	DC 9/MD 82	110 –160	National
SA Express	CRJ DASH 8/Q400	44 – 74	Regional
Airlink	Jetstream J41, EMB135	29 – 37	Feeder/Regional
Mango	B737-800	180	National

Comair has approximately 13 BA branded aircraft and Kulula, eight (*source:* www.comair.co.za). Mango has four aircraft and offers 30 flights per day. Mango's number of flights is fixed, whereas 1time Airline has flexibility in this regard (*source:* www.flymango.com).

4.2.10 *Competitive advantages*

1time Airline's major competitive advantages are as follows:

- it has a low cost structure resulting from the following:
  - started with a clean slate with no historical overhead structure;
  - low aircraft acquisition costs at the time of establishment (2003);
  - standardised fleet;
  - maintenance operations are owned; and
  - continued strengthening of the Rand since establishment has minimised aircraft acquisition costs;
- the airline's ancillary sources of revenue;
- easy to use Internet-based booking system where passengers only require their identity book for check in purposes;
- owner orientated management; and
- its experienced staff.

4.2.11 *Market share and positioning*

1time Airline only flies on selected routes. Although it has an overall share of approximately 10% of the whole domestic market, it has a market share of 33% on the Cape Town to East London route.

The market shares of the respective airlines servicing the South African domestic air travel market for the 2007 calendar year are estimated by 1time as follows:

Airline	Owner	Passengers	Percentage market share
SAA	State	3 800 000	30.4
Kulula.com	Public	1 585 000	12.7
BA/Comair	Public	1 485 000	11.9
Mango	State	1 345 000	10.8
1time	Private	1 270 000	10.2
SA Express	State	1 215 000	9.7
Nationwide	Private	1 105 000	8.8
Airlink	Private	695 000	5.6
		12 500 000	**100**

1time's estimates are based on information obtained from the websites of the respective airlines as well as figures published by ACSA. The market share of SAA, SA Express and Mango, taken together, currently comprises about 50%.

The high costs of establishing an airline and the limited number of departure slots, especially at O.R. Tambo International Airport, are barriers to entry. Lanseria operates under an exclusivity arrangement with Kulula.

4.2.12 Employees

1time Airline's staff comprises 407 staff members of whom 48 are pilots and 85 are cabin attendants. Of these, 164 are black staff members. Only pilots that meet stringent criteria are employed or promoted to command. All pilots undergo regular training and testing to maintain the required proficiency levels at the Swiss Air Facility in Zurich.

4.3 Technical maintenance

4.3.1 Aeronexus Technical, a wholly-owned subsidiary of 1time, provides a comprehensive technical maintenance service for the fleet of 1time Airline as well as several other South African and African operators. Aeronexus Technical is currently operating at full capacity with a two-bay hanger facility at O.R. Tambo International Airport. It has developed a market niche for its target market with competitive pricing (in US dollars) and quality maintenance work. The main competitors in this market are Safair, Denel, SAA and Ethiopian Airlines.

4.3.2 Aeronexus Technical holds an aircraft maintenance organisation approval (AMO) issued by the South African Civil Aviation Authority. It employs 170 staff members providing the following technical services:

- flight line technical;
- routine aircraft inspections including A, B, C and D checks;
- structural repairs, modifications and Airworthiness Directives and Service Bulletins;
- corrosion prevention and control programmes; and
- refurbishments.

4.4 1time Charters

1time Charters, 1time's wholly-owned charter business, offers charters to any destination in Africa and the Indian Ocean islands on either a MD 82 (157 seater), or a DC-9 (110 seater). 1time Charters currently cannot meet the demand from governments, international bodies and corporate clients. It plans to create an arrival and departure facility for the convenience of passengers at its premises at O.R. Tambo International Airport.

4.5 Aeronexus Corporate

Aeronexus Corporate manages and operates a B727 VIP jet on behalf of the Djibouti Government. The jet is also chartered throughout the world. The 727 has been luxuriously reconfigured to meet the needs of guests. It transports heads of state, world leaders and high-powered businessmen. Recently the 727 transported Bill Clinton on his African tour.

4.6 Black Economic Empowerment

The company subscribes to the principles of BEE. It is attending to the aspects of skills development, employment equity, procurement and social development. The company has had black shareholders since its inception. Mogwele currently owns 4.6% of 1time. The company will be addressing the aspect of increasing its black shareholding at the time of or after listing.

5. PROSPECTS

5.1 The aviation industry is forecasted to transport approximately 12.5 million domestic passengers in South Africa during 2007. The domestic market has grown by approximately 14% per annum over the last three years whilst achieving a growth rate of 70% over the past five years.

5.2 The airline market in South Africa has historically grown at a multiple of 2 times the growth in Gross Domestic Product. This is expected to continue in the foreseeable future.

5.3 In addition, the market is poised to benefit strongly from events, such as the 2010 FIFA World Cup, which are to be hosted in South Africa.

5.4 Notwithstanding the significant growth achieved by low fare airlines, it is estimated that less than 10% of South Africans travel by air. This augurs well for the future growth of this market segment. 1time Airline expects a 20% increase in passenger numbers this year.

5.5 1time intends growing by increasing its market share in all four its focus areas and by increasingly "feeding off itself".

5.6 1time Airline's marketing strategy will be to expand its leisure market as well as to encourage the corporate market to make use of its excellent value for money service.

5.7 1time Airline will consider flying profitable routes into Africa when these routes become available.

5.8 1time intends to extract further value through ancillary revenue opportunities such as advertising, car rentals, websites and accommodation.

5.9 Aeronexus Technical plans to double its hanger facility to four bays to satisfy current demand for technical maintenance from third parties and from 1time Airline itself. Additional investment will also be made in inventories, equipment, staff and training so as to further expand the maintenance business.

5.10 The planned establishment of a Pratt & Whitney JT8D engine maintenance facility will complement the current maintenance services as this is the dominant engine type for aircraft maintained by Aeronexus Technical. At present, only one other such engine maintenance facility exists in Africa.

5.11 Currently, 1time Charters cannot meet the demand from governments, international bodies and corporate clients for charters. It plans to create an arrival and departure facility for the convenience of passengers at its premises at O.R. Tambo International Airport.

5.12 1time intends to launch an airfreight business within the next three years.

5.13 Listing will lead to a higher profile in the corporate market and better terms with bankers and fuel suppliers.

6. MAJOR SHAREHOLDERS

6.1 The current shareholders of 1time are as follows:

Name	Number of shares	Percentage holding
Avstar	31 527 581	17.5
MKJH Trust	27 401 750	15.1
Rodney Laurence James	27 445 314	15.3
Glenn Wayne Orsmond	27 445 314	15.3
Sven Jabbour Petersen	27 445 314	15.3
Gavin Wade Harrison	27 445 314	15.3
Mogwele	8 044 817	4.4
Desmond Peter O'Connor	1 081 532	0.6
Graham Stephen Paterson	1 081 532	0.6
Christoffel Frans Snyman	1 081 532	0.6
	180 000 000	**100.0**

6.2 Avstar, MKJH Trust, Rodney Laurence James, Glenn Wayne Orsmond, Sven Jabbour Petersen, and Gavin Wade Harrison are, directly or indirectly, beneficially interested in 5% or more of the issued ordinary share capital of 1time at the last practicable date. Refer to paragraph 5 in Annexure 1 for the directors' shareholdings.

6.3 Avstar, MKJH Trust, Rodney Laurence James, Glenn Wayne Orsmond, Sven Jabbour Petersen and Gavin Wade Harrison will be, directly or indirectly, beneficially interested in 5% or more of the issued share capital of 1time following the private placement. The company will have a public shareholding of at least 100 shareholders who will hold a minimum of 10% of the issued ordinary shares on the day of listing.

6.4 There will be no change in the controlling shareholders as a result of the private placement.

6.5 There has been no change in the controlling shareholders and trading objects of 1time during the last three years.

7. DIRECTORS AND EXECUTIVE MANAGEMENT

Details of the directors and executive management, including the appointment, remuneration, borrowing powers of directors and directors' interests and declarations are set out in Annexure 1.

8. PURPOSE OF PLACEMENT AND LISTING ON ALT^X

8.1 Subject to achieving of the required spread of public shareholders, the JSE has formally approved the listing of 210 000 000 ordinary shares on ALT^X with effect from commencement of business on Tuesday, 14 August 2007. The shares will trade under the abbreviated name "1time" with the JSE code, 1TM and ISIN: ZAE000102026.

8.2 1time has shareholders' funds in excess of R2 million in its reserves. The company will have a public shareholding of at least 100 shareholders who will hold a minimum of 10% of the issued ordinary shares on the day of listing.

8.3 An amount of R30 000 000, before share issue and listing expenses, will be raised by the company from the issue of 30 000 000 ordinary shares for cash and an amount of R30 000 000 will be realised by the existing shareholders from the sale of 30 000 000 ordinary shares to selected private individuals, corporations and institutions. The proceeds of the issue will be utilised to accelerate growth as set out in paragraph 8.4 below. The proceeds received in terms of the private placement will be applied firstly to the offer for subscription and thereafter to the offer for sale.

8.4 The purpose of the placement and the listing is to:

- raise R30 million capital to take full advantage of growth opportunities with respect to:
  - completing the upgrade of its airline fleet to make it noise and emission (Stage 3) compliant;
  - doubling its maintenance and hangar capacity;
  - establishing a Pratt and Whitney jet engine maintenance facility;
  - expanding its charter business;
  - settling aircraft financing debt of approximately R5 million;
- improve the free float and liquidity of the shares by the placement of vendor shares;
- enhance the company's corporate profile;
- enhance general public awareness of 1time and its diversified businesses;
- afford members of the investing public, clients and associates of 1time the opportunity to participate directly in the future growth and earnings potential of the company;
- broaden 1time's shareholder base and to obtain the spread of at least 100 shareholders required to hold a minimum of 10% of 1time's issued shares for the purpose of the listing of 1time's ordinary shares on the ALT^X;
- provide the platform for the company to pursue its vision of becoming the most profitable aviation group in South Africa without compromising its aircraft safety.

9. DETAILS OF THE PRIVATE PLACEMENT

9.1 Salient features

9.1.1 The salient features of the private placement are as follows:

Offer price per ordinary share (cents)	100
Par value per ordinary share (cents)	0.01
Premium per ordinary share (cents)	99.99
Number of ordinary shares offered by the company for subscription in terms of private placement	30 000 000
Issue consideration to be received by the company, before expenses	R30 million
Number of ordinary shares offered for sale by the existing shareholders in terms of the private placement	30 000 000
Total consideration to be received by the existing shareholders	R30 million

9.1.2 The opening and closing dates of the private placement are as follows:

Opening date of the private placement at commencement of trade on	Monday, 6 August 2007
Closing date of private placement at 12:00 on	Tuesday, 7 August 2007
Anticipated listing date on ALT^X at commencement of trade on	Tuesday, 14 August 2007

9.1.3 Those private individuals, corporations and institutions who have been invited to apply should do so by completing the attached private placement application form in accordance with the provisions of this prospectus and the instructions contained in the private placement application form.

9.1.4 No offer will be made to the general public in terms of the private placement. The private placement will be made to selected applicants only.

9.1.5 The ordinary shares issued in terms of the private placement will rank *pari passu* with all other ordinary shares issued by 1time.

9.2 Procedures for acceptance and subscription of shares in 1time

9.2.1 Applications for the private placement must be made on the attached private placement application form provided to selected applicants. Photocopies or reproductions will be accepted. Each application will be regarded as a single application.

9.2.2 The rights granted to selected applicants in terms of the private placement may not be ceded, renounced or assigned in favour of anyone else by the applicant to whom it is addressed.

9.2.3 The private placement shares may not be applied for in the name of a minor, deceased estate or partnership. Executors, trustees and individual partners may apply for the private placement shares in their own name or through nominee companies. No documentary evidence of capacity need accompany the private placement application but the directors of 1time reserve the right to call upon any applicant to furnish evidence of such capacity for noting.

9.2.4 The private placement applications are irrevocable once received by the Designated Adviser or the company.

9.2.5 No receipts will be issued for applications and/or payments received.

9.2.6 Applications must be for a minimum of 5 000 ordinary shares and in multiples of 1 000 ordinary shares thereafter.

9.2.7 Ordinary shares will only be traded in electronic form and accordingly all shareholders who elect to receive certificated shares will first have to dematerialise their share certificates should they wish to trade their shares. Applicants are advised that it takes between one and ten days to dematerialise their certificated shares depending on the volumes being processed by Strate at the time of dematerialisation.

9.2.8 Payment may only be made by bank guaranteed cheque (crossed "not transferable"), banker's draft or electronic transfer (followed by fax or electronic proof of payment in the case of electronic transfers). Postal orders, cash or telegraphic transfers will not be accepted. Cheques must be made payable in favour of "**1time Holdings Private Placement**". All cheques and banker's drafts will be deposited by the Designated Adviser immediately upon receipt in a designated account under the control of 1time with a registered South African bank.

9.2.9 A private placement application will only be regarded as complete once payment for the total amount of the application has been received. Should any cheque or banker's draft subsequently be dishonoured, the directors of 1time may, in their sole discretion, and without prejudice to any rights the company may have, regard the private placement application of such applicant as being revoked or take such steps in regard thereto as they deem fit.

9.2.10 "Blocked Rand" may be used by emigrants and non-residents of the common monetary area for payment in terms of the private placement. In this regard, reference should be made to paragraph 9.12 below that deals with Exchange Control Regulations.

9.3 Application for certificated shares – payment by bank guaranteed cheque or banker's draft

Applicants who elect to receive their allocated shares in certificated form and who wish to pay by way of bank guaranteed cheque or banker's draft must complete and return the private placement application, together with their payment in the form of a bank guaranteed cheque or banker's draft crossed "not transferable" and drawn in favour of **"1time Holdings Private Placement"** in an envelope marked "**1time Holdings Private Placement**" to:

if delivered by hand or by courier	*if posted*
Designated Adviser Exchange Sponsors (Pty) Limited 39 First Road Hyde Park Johannesburg 2196	Designated Adviser Exchange Sponsors (Pty Limited PO Box 411216 Craighall 2024

so as to be received by no later than 12:00 on Tuesday, 7 August 2007.

No late applications will be accepted.

9.4 Application for certificated shares – payment by electronic transfer

9.4.1 Applicants who elect to receive their allocated shares in certificated form and who wish to pay by way of **electronic transfer** may do so, in which case **the private placement application, and proof of such payment by electronic transfer must be hand delivered, posted or faxed to the Designated Adviser (and not the transfer secretaries) to**:

if delivered by hand	*if posted*	*if faxed*
Designated Adviser Exchange Sponsors (Pty) Limited 39 First Road Hyde Park Johannesburg 2196	Designated Adviser Exchange Sponsors (Pty) Limited PO Box 411216 Craighall 2024	Designated Adviser (011) 447 1929

so as to be received by no later than 12:00 on Tuesday, 7 August 2007.

9.4.2 Payment by electronic transfer must be made into the following bank account:

Bank:	Standard Bank
Branch:	Boksburg
Branch code:	011842
Account name:	1time Holdings Private Placement
Account number:	420405453
Account type:	Cheque

9.4.3 1time accepts no responsibility and will not be liable for the correctness of any allocation of private placement shares pursuant to payment being made or alleged to have been made by way of electronic transfer due to proof of such payment not being received or purported proof of such payment being insufficient or defective or 1time, for any reason, not being able to reconcile a payment or purported payment with a particular application for private placement shares.

9.5 Disadvantages of holding shares in certificated form

9.5.1 The current risks associated with holding shares in certificated form, including the risk of loss or tainted scrip, remain.

9.5.2 When a shareholder wishes to transact on the JSE, he will be required to appoint a CSDP or broker to dematerialise the shares prior to the broker being able to transact in the shares, which dematerialisation can take up to 10 days. A certificated shareholder will have no recourse in the event of delays occasioned by the validation process or the acceptance or otherwise of its certificated shares by a CSDP.

9.6 Application for dematerialised shares – payment by electronic transfer or through CSDP or broker

9.6.1 Applicants who elect to receive their allocated shares in dematerialised form and who wish to pay by way of electronic transfer may do so, in which case **the private placement application and the section on their CSDP or broker, and proof of such payment by electronic transfer must be hand delivered, posted or faxed to:**

if delivered by hand	*if posted*	*if faxed*
Designated Adviser Exchange Sponsors (Pty) Limited 39 First Road Hyde Park Johannesburg 2196	Designated Adviser Exchange Sponsors (Pty) Limited PO Box 411216 Craighall 2024	Designated Adviser (011) 447 1929

so as to be received by no later than 12:00 on Tuesday, 7 August 2007.

9.6.2 Payment by electronic transfer must be made into the following bank account:

Bank:	Standard Bank
Branch:	Boksburg
Branch code:	011842
Account name:	1time Holdings Private Placement
Account number:	420405453
Account type:	Cheque

9.6.3 1time accepts no responsibility and will not be liable for the correctness of any allocation of private placement shares pursuant to payment being made or alleged to have been made by way of electronic transfer due to proof of such payment not being received or purported proof of such payment being insufficient or defective or 1time, for any reason, not being able to reconcile a payment or purported payment with a particular application for private placement shares.

9.6.4 Applicants, who wish to receive their allocated shares in dematerialised form, must complete and **return the private placement application to the Designated Adviser or their duly appointed CSDP or broker by the time and date stipulated in the agreement governing their relationship with their CSDP or broker,** together with the method of payment as stipulated in such agreement. If the applicant submits an application form, he must ensure that the relevant broker or CSDP has been informed of the application and the broker or CSDP must authenticate the relevant application form.

9.6.5 The brokers will collate all their respective private placement applications and forward the instruction to the brokers' nominated CSDP's.

9.6.6 The CSDP's will collate all the private placement applications from brokers and/or applicants and notify the transfer secretaries.

9.6.7 Brokers and CSDP's will be notified by the transfer secretaries on the second business day following the closing of the private placement of their allocation in respect thereof.

9.6.8 In respect of those applicants who elect to receive dematerialised shares, their duly appointed CSDP's or broker's account will be updated on Tuesday, 14 August 2007.

9.7 Reservation of rights

9.7.1 The directors of 1time reserve the right to accept or refuse any application(s), either in whole or in part, or to pro-rate any or all application(s) (whether or not received timeously) in such manner as they may, in their sole and absolute discretion, determine.

9.7.2 The directors of 1time reserve the right to accept or reject, either in whole or in part, any applications should the terms and the instructions contained in this prospectus not be complied with.

9.8 Irrevocable undertakings

1time holds irrevocable undertakings from various selected investors to subscribe for and/or to purchase all 60 000 000 ordinary shares in terms of the private placement, amounting to 100% of the private placement shares.

9.9 No minimum subscription

The private placement is not subject to a minimum subscription being achieved.

9.10 Oversubscriptions

9.10.1 The private placement of 60 000 000 ordinary shares has been fully allocated to the investors who have given irrevocable undertakings as set out in paragraph 9.8 above.

9.10.2 In the event of a private placement application being accepted for a lesser number of shares than applied for or rejected, any surplus application monies received, will be refunded by the company (where applicable) by a cheque drawn on Standard Bank Limited if the application was accompanied by a bank guaranteed cheque, or electronic transfer if the payment was by electronic transfer, with interest in respect of the surplus application monies, at 6% per annum from the date of receipt of such monies until day of posting and posted by ordinary mail or transferred electronically at the risk of the applicant concerned, on or about Wednesday, 15 August 2007, or on clearance of the funds, if later.

9.11 Issue of private placement shares

9.11.1 All private placement shares forming part of the offer for subscription will be issued at the expense of 1time and all private placement shares forming part of the offer for sale will be transferred at the expense of the existing shareholders.

9.11.2 All private placement shares to be issued are subject to the provisions of 1time's memorandum and articles of association and will rank *pari passu* in all respects with the existing ordinary shares in issue. Annexure 1 contains extracts of 1time's articles of association.

9.11.3 The ordinary shares will only be traded on the JSE in electronic form and as such, all shareholders will have to dematerialise their shares should they wish to trade them. Applicants are advised that it takes between one and ten days to dematerialise certificated shares, depending on volumes being processed by Strate at the time of the dematerialisation.

9.11.4 The principal features of Strate are as follows:

- trades executed on the JSE must be settled within five business days;
- there will be penalties for late settlement;
- electronic record of ownership replaces share certificates and physical delivery of certificates; and
- all investors are required to appoint either a broker or CSDP to act on their behalf and to handle all settlement requirements.

9.12 Exchange Control Regulations

The following summary is intended as a guide and is, therefore, not comprehensive. If you are in any doubt hereto, please consult your professional adviser.

9.12.1 A former resident of the common monetary area who has emigrated from South Africa may use blocked Rand to subscribe for or to purchase shares in terms of this prospectus.

9.12.2 All payments in respect of ordinary shares applied for by non-residents using blocked Rand must be made through an authorised dealer in foreign exchange.

9.12.3 Share certificates issued in respect of certificated shares purchased or subscribed for using blocked Rand in terms of this prospectus will be endorsed "non-resident". Such share certificates will be placed under the control of the authorised dealer through whom the payment was made. Statements issued to non-resident dematerialised shareholders will be restrictively endorsed as "non-resident".

9.12.4 If applicable, refund monies payable in respect of an unsuccessful application, emanating from blocked Rand accounts will be returned to the authorised dealer administering such blocked Rand accounts for the credit of such unsuccessful applicant's blocked Rand account.

9.12.5 Applicants resident outside the common monetary area

9.12.5.1 A person who is not resident in the common monetary area should obtain advice as to whether any governmental and/or legal consent is required and/or whether any other formality must be observed to enable an application to be made in terms of the private placement.

9.12.5.2 This prospectus is accordingly not an offer in any area or jurisdiction in which it is illegal to make such an offer. In such circumstances this prospectus and any application form are provided for information purposes only. All share certificates issued to non-residents of South Africa will be endorsed "non-resident" in terms of the Exchange Control Regulations. Statements issued to dematerialised shareholders will be restrictively endorsed as "non-resident".

10. MATERIAL CHANGES

The directors report that there have been no material changes in the financial or trading position of 1time during the past three years.

No material fact or circumstance has occurred between the end of the latest financial year of 1time and the date of this prospectus.

11. PROFIT HISTORY, FORECASTS, UNAUDITED *PRO FORMA* FINANCIAL INFORMATION AND DIVIDEND POLICY

11.1 Audited income statements of 1time for the three financial years ended December 2006

11.1.1 The audited historical financial information of 1time, the preparation of which is the responsibility of the directors, is presented in Annexures 2. The following table below is the historical financial information for the company:

	Audited 31 December 2004 R'000	**Audited 31 December 2005 R'000**	**Audited 31 December 2006 R'000**
Gross revenue	**182 113**	**370 286**	**491 390**
Operating costs	(175 479)	(383 455)	(462 808)
EBITDA	**6 634**	**(13 169)**	**28 582**
Depreciation	(1 514)	(2 525)	(3 352)
Operating profit	**5 120**	**(15 694)**	**25 230**
Set up costs	(5 088)	–	–
Profit/(Loss) on foreign exchange	823	(408)	(397)
Discount on purchase	–	565	3 045
Profit on disposal of non-current assets	149	1 145	2 203
Investment income	1 106	2 266	2 641
Interest paid	(1 105)	(2 445)	(5 272)
Profit before taxation	**1 005**	**(14 571)**	**27 450**
Taxation	241	1 555	(6 877)
Earnings attributable to ordinary shareholders	**1 246**	**(13 016)**	**20 573**
Loss on disposal of non-current assets	(150)	(1 146)	(2 203)
Discount on purchase	–	(565)	(3 045)
Set-up costs	5 088	–	–
Headline earnings attributable to ordinary shareholders(2)(3)	**6 184**	**(14 727)**	**15 325**
Pro forma weighted average shares in issue(1)	180 000 000	180 000 000	180 000 000
Pro forma earnings per share (cents)	0.69	(7.23)	11.43
Pro forma headline earnings per share (cents)	3.44	(8.19)	8.51

Notes:

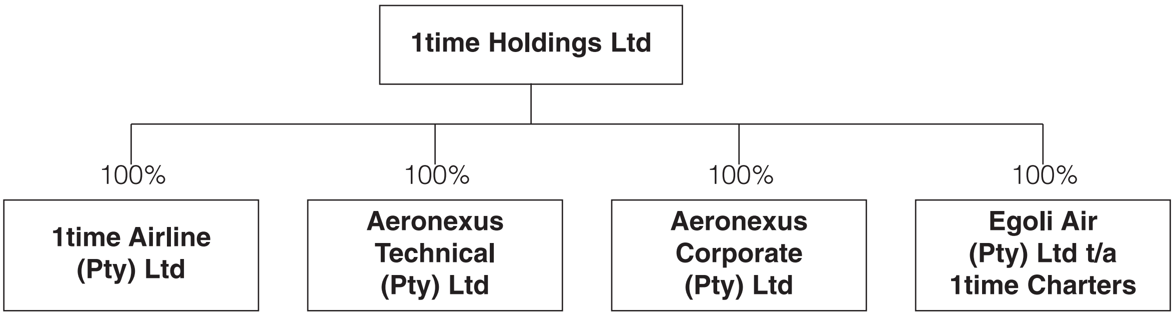
(1) *Pro forma* calculation for the weighted average shares in issue for 31 December 2006 is based on the restructure of the issued share capital (i.e. the conversion of the original 11 983 shares in issue to 180 000 000 shares at the last practicable date).

(2) Pre-trade expenses excluded.

(3) Loss attributable to the dramatic rise in fuel prices, two engines being replaced and competitive pricing.

There has been no qualified opinion since inception of 1time.

11.2 The detailed group structure is as follows:



11.3 Profit forecasts for the years ending 31 December 2007 and 31 December 2008

11.3.1 The profit forecasts of 1time for the years ending 31 December 2007 and 31 December 2008, the preparation of which is the responsibility of the directors, are set out below. The accounting policies applied in arriving at forecast income are consistent in all respects with IFRS and with those accounting policies applied in the historic information presented. The forecasts should be read in conjunction with the independent reporting accountants' report thereon as set out in Annexure 4.

11.3.2 1time's results for the second half of the year have traditionally been stronger than the first half due to the seasonality of 1time Airline's business, in particular, over the festive season.

	Forecast 31 December 2007 R'000	**Forecast 31 December 2008 R'000**
Gross revenue	**621 219**	**714 262**
Operating costs	(579 755)	(663 052)
EBITDA	**41 464**	**51 210**
Depreciation	(3 000)	(3 500)
Operating profit	**38 464**	**47 710**
Investment income	1 342	1 321
Interest paid	(4 572)	(3 707)
Profit before taxation	**35 234**	**45 324**
Taxation	(10 218)	(13 144)
Earnings attributable to ordinary shareholders	**25 016**	**32 180**
Headline earnings attributable to ordinary shareholders	**25 016**	**32 180**
Pro forma weighted average shares in issue	191 260 274	210 000 000
Pro forma earnings per share (cents)	13.08	15.32
Pro forma headline earnings per share (cents)	13.08	15.32

11.3.3 **Main assumptions and comments on the forecast financial information**

11.3.3.1 The forecast financial information is based on the assumption that circumstances which affect the company's business but which are outside the control of the directors, will not materially alter in such a way as to affect the trading of the company. More specifically:

- trading conditions are not expected to be materially different in each of the forecast periods, which would include, *inter alia*, growth in market;
- costs will increase in line with the expected rate of inflation;
- interest, exchange and inflation rates and the basis and rates of taxation, both direct and indirect, will not change materially.

11.3.3.2 In addition, the forecast financial information is based on the assumptions that:

- there will be continuity in existing management and trading policies;
- there will be no change in the present accounting policies.

11.3.3.3 In addition, a number of assumptions have to be made in respect of matters such as the following:

- pricing and market share;
- capacity utilisation;
- size of fleet and capital expenditure programme;
- retention and/or addition of routes;
- retention and/or addition of landing rights;
- retention of operating licences;
- expected fuel price range;
- expected labour cost range;
- diversification;
- buying or leasing of aircraft; and
- hangar capacity.

11.3.3.4 The net result is that a few scenarios are possible to test the sensitivities of the various variables and assumptions. The most probable scenario has been used by the company for forecast purposes.

11.3.3.5 In the opinion of the directors, the above assumptions are significant to the forecasts as being key factors upon which the financial results of the company will depend. However certain assumptions may not materialise and/or certain unforeseen events may occur or circumstances may arise subsequent to the forecasts being made. Accordingly, the results achieved for the periods referred to above may differ from those forecast and the variations may be material.

11.4 Unaudited *pro forma* balance sheet and income statement

The unaudited *pro forma* information of 1time, before and after the private placement, is set out below. The *pro forma* balance sheet and income statement information is provided for illustrative purposes only and because of its nature may not give a fair presentation of the company's financial position, after the private placement. The unaudited *pro forma* information is based on the audited results at 31 December 2006 as set out in Annexure 2 and reported on by the independent reporting accountants' report in Annexure 3. The unaudited *pro forma* balance sheet and income statement should be read in conjunction with the independent reporting accountants' report thereon as set out in Annexure 5. It has been assumed for the purposes of the *pro forma* balance sheet and income statement that the placement took place on 1 January 2006. The directors of 1time are responsible for the preparation of the unaudited *pro forma* balance sheet and income statement of 1time.

11.4.1 The *pro forma* balance sheet set out below is based on the following assumptions:

11.4.1.1 an amount of R30 million has been raised in respect of the private placement on 14 August 2007;

11.4.1.2 100% of the estimated transaction costs relating to the listing have been written off against the stated share capital account;

11.4.1.3 the *pro forma* financial information has been prepared on a stand-alone basis for the private placement offer; and

11.4.1.4 the entire private placement of R30 million was fully subscribed for on 1 January 2006.

11.4.1.5 Unaudited *pro forma* balance sheet, reflecting the private placement adjustments, is set out below.

	Audited Before private placement adjustments 31 December 2006 R'000	**Private placement adjustments R'000**	**Unaudited *Pro forma* After private placement adjustments 31 December 2006 R'000**
ASSETS			
Non-current assets	96 934		96 934
Current assets	69 189	30 000	99 189
Total assets	**166 123**		**196 123**
EQUITY AND LIABILITIES			
Share capital	18 741	28 000	46 741
Reserves	16 384		16 384
Total shareholders' funds	**35 125**		**63 125**
Non-current liabilities	39 099		39 099
Current liabilities	91 899	2 000	93 899
Total liabilities	**130 998**		**132 998**
Total liabilities and shareholders' funds	**166 123**		**196 123**
Pro forma shares in issue	180 000 000	30 000 000	210 000 000
Net asset value per share (cents)	19.51		30.06
Net tangible asset value per share (cents)	18.35		29.06

Notes:

(1) The "Before" financial information has been extracted, without adjustment from the audited financial statements of 1time for the year ended 31 December 2006. These are set out in Annexure 2.

(2) The "After" financial information represents the restated financial information at 31 December 2006.

(3) The *pro forma* balance sheet has been prepared on the assumption that the entire private placement will be fully subscribed.

(4) The unaudited *pro forma* balance sheet was prepared on the basis that the private placement was completed on 1 January 2006.

(5) Share capital has been adjusted for the following:

- current assets have been adjusted to include the proceeds from the private placement of R30 million, less the estimated transaction costs of R2 million listed in paragraph 14; and
- share capital has been adjusted to include the 30 million shares of 0.01 cent each allotted from the private placement.

(6) The unaudited *pro forma* number of shares in issue is used in order to reflect the effect of the share placing on the net asset value and net tangible asset value per share calculations.

11.4.2 Unaudited *pro forma* income statement reflecting the private placement adjustments is set out below:

	Audited Before private placement adjustments 31 December 2006 R'000	Private placement adjustments R'000	Unaudited *Pro forma* After private placement adjustments 31 December 2006 R'000
Gross revenue	**491 390**		**491 390**
Operating costs	(462 808)		(462 808)
EBITDA	**28 582**		**28 582**
Depreciation	(3 352)		(3 352)
Operating profit	**25 230**		**25 230**
Loss on foreign exchange	(397)		(397)
Discount on purchase	3 045		3 045
Profit on disposal of non-current assets	2 203		2 203
Investment income	2 641	2 550	5 191
Interest paid	(5 272)		(5 272)
Profit before taxation	**27 450**		**30 000**
Taxation	(6 877)	(740)	(7 617)
Earnings attributable to ordinary shareholders	**20 573**	**1 810**	**22 383**
Discount on purchase	(3 045)		(3 045)
Loss on disposal of non-current assets	(2 203)		(2 203)
Headline earnings attributable to ordinary shareholders	**15 325**	**1 810**	**17 135**
Pro forma weighted average shares in issue	180 000 000	30 000 000	210 000 000
Pro forma earnings per share (cents)	11.43		10.66
Pro forma headline earnings per share (cents)	8.51		8.16

Notes:

(1) The unaudited *pro forma* income statement was prepared on the basis that the private placement in terms of the offer for subscription was completed on 1 January 2006 and a total of R30 million less estimated costs as set out in paragraph 14 was raised for 1time. The average interest rate used to calculate investment income is 8.5%.

(2) The directors of 1time are responsible for the preparation of the unaudited *pro forma* financial information of 1time.

11.5 Dividends

11.5.1 It is the intention of the company to consider its dividend policy once 1time has achieved mature growth and periodically thereafter so as to take account of prevailing circumstances and future cash requirements. Initially all earnings generated by the company will be utilised to fund future growth and development.

11.5.2 Any dividends not claimed for a period of not less than three years from the date on which such dividends became payable may be forfeited for the benefit of the company.

11.5.3 There is no arrangement under which future dividends will be waived or have been waived.

12. AMOUNTS PAID OR PAYABLE TO PROMOTERS AND PROMOTERS' INTEREST

12.1 There were no payments made or proposed to be made to the promoters of the company since the company's incorporation.

12.2 The company has not entered into any promoters agreements during the three years preceding this prospectus.

13. BROKERAGES AND COMMISSIONS

13.1 Since incorporation, no commission has been paid or is payable by the company in respect of underwriting.

13.2 No commissions, discounts, brokerages or other special terms have been granted during the three years preceding the date of this prospectus in connection with the issue or sale of any securities or stock of the company, where this has not been disclosed in any audited annual financial statements.

14. PRELIMINARY EXPENSES AND ISSUE EXPENSES

14.1 The estimated total amount of preliminary expenses incurred in terms of the private placement and the listing within the three years preceding the date of this prospectus, exclusive of VAT, are as follows:

Function and advisers	**R'000**
Printing, publication, distribution and advertising expenses	130
JSE documentation fees	51
JSE listing fees	20
Share issue expenses, fiscal duties and taxes – Computershare	48
Transfer secretaries – Computershare Investor Services 2004 (Pty) Limited	15
Designated Adviser – Exchange Sponsors (Pty) Limited	540
Fund raising fees – Exchange Sponsors (Pty) Limited	750
Reporting accountants – Nexia HBLT Chartered Accountants (East Rand) Inc	150
Attorneys – Smith Tabata Ramsay Webber Buchanan Boyes Inc and Robert Mitchley Attorney	150
Contingencies	146
Estimated total	2 000

14.2 The abovementioned estimated expenses, which will not exceed the share premium, will be written-off against the share premium account to the extent permissible by the Act.

14.3 The existing shareholders will be liable to pay the fees of Exchange Sponsors (Pty) Limited in respect of the offer for sale and stamp duty on the transfer of ordinary shares comprising the offer for sale.

15. LOANS PAYABLE AND BORROWING POWERS

15.1 Summary of the loans, both secured and unsecured, due by the company at 31 December 2006:

Lender	Loan amount R'000	Interest rate	Secured	Reason for loan	Maturity
Secured Asset Finance	2 195	average rate of 10.68% pa	(1)	(1)	(1)
RMB Asset Finance Limited	2 942	12.88% pa	MD 82 – book value of R26.7 million	MD 82	R543 701 per quarter over five years
RMB Asset Finance Limited	7 877	13.38% pa	MD 82 – book value of R24.7 million	MD 82	R643 423 per quarter over five years
Volvo Aero Leasing LLC	6 764	10.25% pa	PW JT8D 217A engine with a book value of R6.7 million	Volvo engine	R322 844 per month over 18 months
Morchester International Limited	3 282	London Interbank Overnight Rate plus 2% pa	unsecured	General business operations	one instalment at 1 January 2008
King Air Services (Proprietary) Limited	2 000	interest free	unsecured	1time Charters	R200 000 per month over 24 months
Imperial Bank Asset Finance Limited	1 205	prime lending rate less 1% per annum	DC9 aircraft with a combined book value of R8.4 million	DC9 aircraft	R245 995 per month over 24 months
Stannic Asset Finance Limited	9 680	prime lending rate less 2% per annum	Two DC9 aircraft with a book value of R19.9 million	DC9 aircraft	R758 316 per month over five years
Marine Bank Asset Finance Limited	950	8.5%	DC9 aircraft with a book value of R3.5 million	DC9 aircraft	R93 208 per month over 12 months
	36 895				

Note: (1)

Comprising:	**(R)**
First National Bank, 10.45% per annum, repayable in equal instalments over 240 months of R4 077, secured by land with a cost of R895 000. Purchased Erf 1017 Clarens (Ext 11). (Disposed of for net book value subsequent to year-end)	364 974
First National Bank, 8.95% per annum, repayable in equal instalments over 240 months of R8 125, secured by land with a cost of R906 300. Purchased 10% in Vigne d'Or Properties (Pty) Limited. (Disposed of for net book value subsequent to year-end)	914 343
Stannic Asset Finance Limited – Secured asset financing, 12.68% per annum, repayable in equal monthly instalments of R7 892 over 48 months. Secured by computer equipment valued at R578 312. Purchased various computer equipment	102 521
WesBank – Secured asset finance, 10.25% per annum. Repayable in equal monthly instalments over 60 months of R2 545 per month. Secured by motor vehicles with book value of R396 617. Purchased three motor vehicles	325 734
Stannic Asset Finance Limited – Secured asset financing, 11% per annum, repayable in equal monthly instalments over 60 months. Secured by motor vehicles valued at R842 025. Purchased various motor vehicles	487 627
Total	2 195 199

15.2 The borrowing powers of 1time have not been exceeded during the three years preceding the date of this prospectus.

15.3 The borrowing powers of the directors are set out in paragraph 7 of Annexure 1 to this prospectus.

15.4 No loan capital is outstanding.

15.5 All the borrowings listed above have no conversion or redemption rights.

15.6 The repayment of the short-term portion of the borrowings will be financed from operating cash flow.

15.7 The borrowing arose from the purchase of aircraft, equipment, vehicles, shares, and property.

16. CAPITAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

16.1 The company had no material contingent liabilities at 31 December 2006. There have been no material changes to the contingent liabilities of the company between 31 December 2006 and the last practicable date.

16.2 The following is an analysis of the company's material capital and operating commitments since 31 December 2006 and the last practicable date:

Aircraft	**R'000**	**Capital payable over 54 months to December 2011 R'000**
Instalment sale		
TRF MD 82	8 378	4 189
OBK MD 82	13 972	13 972

16.3 The repayment of the short-term portion of the borrowings will be financed from operating cash flow.

16.4 The borrowing arose from the purchase of aircraft.

17. LOANS RECEIVABLE

17.1 No material loans have been made by 1time at the date of this prospectus.

17.2 No security has been furnished by 1time or any of its subsidiaries for the benefit of any director or manager, or any associate of any director or manager.

18. PROPERTY AND SUBSIDIARIES ACQUIRED AND TO BE ACQUIRED

18.1 Details of subsidiaries acquired are set out in paragraph 22.1 below.

18.2 1time does not intend to acquire any material subsidiaries or property following the listing.

19. SHARES ISSUED, OTHER THAN FOR CASH

19.1 No shares were issued or agreed to be issued by the company during the past three years, other than for cash, and other than described below.

19.2 The existing shareholders of 1time Airline include: 1time, MKJH Trust and Mogwele. A restructuring agreement was entered into whereby MKJH Trust and Mogwele swapped their shareholding in 1time Airline for a shareholding in 1time in order that 1time could become the sole beneficial owner of all the issued share capital of 1time Airline.

20. PROPERTY AND SUBSIDIARIES DISPOSED OR TO BE DISPOSED OF

20.1 No material property, or subsidiaries have been disposed of within the last three years preceding the date of this prospectus.

20.2 It is not intended that any material property, or subsidiaries will be disposed of following the listing.

21. PRINCIPAL IMMOVABLE PROPERTY OWNED AND LEASED

21.1 Details of the properties owned by 1time, including properties acquired in the three years preceding the date of this prospectus, are disclosed below.

Details	Location	Square metres
Erf 1017 Clarens (Extension 11)*	Clarens (Extension 11)	700

* Disposed of to the current directors for net book value subsequent to year-end.

21.2 1time leases the following properties:

Details	Location	Period of lease	Monthly rental (exclusive of VAT)	Square metres	Escalation per annum
Office rental	Units D1 and D2, Isando Business Park Gewel Street, Isando	1 year	R58 238	1 574	9%

21.3 There have been no material changes to the lease payments of 1time between 31 December 2006 and the last practicable date, save as disclosed in the table above.

22. SUBSIDIARIES

The following information relates to 1time's subsidiaries:

Name	Issued share capital	Date and place of incorpo-ration	Registration number	Date of becoming a subsidiary	Nature of business	Percentage of ordinary issued shares owned by 1time
1time Airline	R8 500 000	20 November 2003 Johannesburg	2003/ 020975/07	28 August 2003	Operating company for the private airline business in South Africa	100
Egoli Air (Pty) Limited t/a 1time Charters	R100	23 June 1999 Johannesburg	1999/ 0136399/07	28 February 2006	Offers charters to any destination in the world	100
Aeronexus Corporate	R100 100	16 September 2002 Johannesburg	2003/ 020975/07 5/07	16 September 2002	Manages a B727 VIP jet for the Djibouti Government	100
Aeronexus Technical	R1 390 100	23 March 1999 Johannesburg	1999/ 006088/07	5 August 1999	Provides maintenance service for the 1time Airline fleet and external parties	100

23. SHARE CAPITAL

23.1 Authorised and issued share capital

The authorised and issued share capital of 1time, taking into account the private placement and listing costs as set out in paragraph 14.1 above, which are to be set-off against the share premium, are set out below:

	Rand
Authorised	
1 000 000 000 ordinary shares of 0.01 cent each	100 000
Issued, before the private placement	
180 000 000 ordinary shares of 0.01 cent each	18 000
Share premium	18 729 117
Issued, after the private placement	
210 000 000 ordinary shares of 0.01 cent each	21 000
Share premium	48 726 117

_23.1.1_ All the authorised and issued shares are of the same class and rank *pari passu* in every respect.

_23.1.2_ Save as set out in paragraph 23.2 below, there have been no alterations to the authorised share capital of 1time during the three years preceding the date of this prospectus.

_23.1.3_ No offer has been made for the subscription or sale of shares during the three-year period preceding the date of issue of this prospectus.

23.2 Alterations to authorised share capital

_23.2.1_ 1time was incorporated with an authorised ordinary share capital of R1 000, divided into 1 000 ordinary shares having a par value of R1.00 each.

_23.2.2_ The company increased its authorised share capital to 100 000 ordinary shares of R1.00 each.

_23.2.3_ The company sub-divided its authorised share capital of 100 000 ordinary shares of R1.00 each into 1 000 000 000 ordinary shares of 0.01 cent each.

_23.2.4_ 1time has a total authorised share capital of R100 000, comprising 1 000 000 000 ordinary shares of 0.01 cent each.

_23.2.5_ The special resolutions passed to alter the authorised share capital as set out in paragraphs 23.2.2 and 23.2.3 above were registered on 13 July 2007.

23.3 Issue of shares

_23.3.1_ Subsequent to its incorporation, 1time issued and allotted 100 ordinary par value shares of R1.00 each.

_23.3.2_ The company:

23.3.2.1 increased its issued share capital to 11 983 ordinary shares of R1.00 each from 100 ordinary shares of R1.00 each;

23.3.2.2 sub-divided its issued share capital of 11 983 ordinary shares of R1.00 each into 119 830 000 ordinary shares of 0.01 cent each on 13 July 2007;

23.3.2.3 issued 60 170 000 ordinary shares of 0.01 cent each on 13 July 2007 at par value thereof to its existing shareholders, whose details are set out in paragraph 6 above.

_23.3.3_ At the date of issue of this prospectus, before the private placement, 1time had a total issued share capital (including share premium) of R18 747 117.

23.4 The resolution necessary to approve the above issues of shares was passed at the time of the issues. In terms of a resolution passed by a 75% majority of the shareholders on 2 July 2007 the directors have the power to allot and issue ordinary shares of the company for cash, subject to the following conditions:

- compliance with the provisions of the Act, the Listings Requirements and the memorandum and articles of association of 1time;
- that the securities be of a class already in issue;
- that securities be issued to public shareholders and not to related parties;
- that an announcement giving full details, including the impact on net asset value and earnings per share, be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of securities in issue prior to the issue/s;
- that issues in the aggregate in any one financial year shall not exceed 50% of the company's issued share capital of that class;

- that, in determining the price at which an issue of securities will be made in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of those securities over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors; and
- that the approval will be valid until the next annual general meeting or for 15 months from the date of the resolution, whichever period is the shorter.

23.5 Unissued shares

In terms of a resolution passed at a general meeting of 1time on 2 July 2007, the 790 000 000 authorised but unissued ordinary shares of the company, after the private placement, will be under the control of the directors of 1time until its first annual general meeting, subject to the provisions of sections 221 and 222 of the Act and the Listings Requirements.

23.6 Voting and variation of rights

The articles of association of the company provide that at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by any person, the chairperson or by the members referred to in section 198(1)(b) of the Act. Any variation in rights attaching to shares will require the consent of the shareholders in general meeting in accordance with the company's articles of association.

23.7 No other listings

The issued ordinary shares of 1time will be listed on ALT^X. No other shares of 1time are listed on any stock exchange.

24. ADEQUACY OF WORKING CAPITAL

24.1 The directors of the 1time group are of the opinion that the working capital available to the 1time group, prior to the private placement, is adequate for the present requirements of the company, i.e. for a period of 12 months from the date of issue of this prospectus and that:

24.1.1 the 1time group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of this prospectus;

24.1.2 the assets of the 1time group will be in excess of the liabilities of the group for a period of 12 months after the date of this prospectus. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements;

24.1.3 the share capital and reserves of the 1time group will be adequate for ordinary business purposes for a period of 12 months after the date of this prospectus;

24.1.4 the working capital of the 1time group will be adequate for ordinary business purposes for a period of 12 months after the date of this prospectus.

25. OPTIONS AND PREFERENTIAL RIGHTS IN RESPECT OF SHARES

There are no contracts or arrangements, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any shares in the company.

26. SHARE INCENTIVE SCHEME

The directors of the company have not established a share incentive scheme for the benefit of directors and employees of the company. The company has a profit sharing scheme for its key employees, excluding directors, based on a percentage of annual profits earned.

27. MATERIAL CONTRACTS

27.1 Save for the service agreements with directors setting out their remuneration referred to in Annexure 1, there are no material contracts which have been entered into by the company during the three years preceding the date of this prospectus, other than in the ordinary course of business conducted by the company.

27.2 There are no material contracts which have been entered into by the company at any time, which contain an obligation or settlement that is material to the company, other than in the ordinary course of business.

27.3 The company is not subject to any management or royalty agreements. The company has not paid any material technical or secretarial fees during the three years preceding the issue of this prospectus, save in respect of technical maintenance of its aircraft.

27.4 The company has not entered into any promoters' agreements during the three years preceding the date of this prospectus.

27.5 During the 2006 financial year, 1time's carrying value of aircraft increased materially. This was due to 1time Airline purchasing Egoli Air (Pty) Limited which owned three DC9-30 and one DC9-15 aircraft. No goodwill was raised on the purchase. The DC9-30's were valued at R8.35 million and the DC9-15 at R3.5 million at year-end. A loan was raised with King Air Services (Pty) Limited with repayment terms of R200 000 per month over 24 months. The value of aircraft also increased in the 2006 financial year due to refurbishment of existing aircraft. Aircraft are revalued every year by a third party valuer based on the maintenance status and hours flown per aircraft.

28. MATERIAL INTER-COMPANY TRANSACTIONS

Aeronexus Technical renders maintenance services to 1time Airline and 1time Charters leases certain aircraft to 1time Airline. These transactions are performed in the normal course of business and are conducted at arm's length. Upon consolidation of 1time and its subsidiaries, all the inter-company transactions are eliminated as the subsidiaries are all wholly owned.

29. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any such proceedings that are pending or threatened, of which 1time is aware that may have, or have had during the 12 months preceding the date of this prospectus, a material effect on the financial position of the company.

30. ADVISERS' INTERESTS

30.1 Save as disclosed in paragraph 30.2 hereunder none of the advisers, whose particulars are set out in the "Corporate information" section, hold any shares in the company or have agreed to acquire any shares in the company at the date of this prospectus.

30.2 The following directors and employees of the Designated Adviser will on the listing date have an interest in the ordinary shares in 1time:

Name and capacity	Number of shares	Percentage holding in 1time	Name of beneficial owner
Marius Meyer – Director	700 000	0.0033	Buccoli Beleggings CC (Registration number 1995/010698/23)
Marius Meyer – Director	300 000	0.0014	Magika Investments (Pty) Limited (Registration number 1997/019193/07)
Wessel Petrus van der Merwe – Director	1 000 000	0.0048	SA Madiba Investments (Pty) Limited (Registration number 1998/015202/07)
Mareo Bekker – Employee	500 000	0.0024	Malibe Trust (Masters reference IT6384/96)
Van Zyl Swanepoel – Employee	300 000	0.0014	Van Zyl Swanepoel
Esna Colyn – Employee	50 000	0.0002	Esna Colyn
Rita Sorour – Employee	50 000	0.0002	Rita Sorour
Chrisna Chalmers	20 000	0.00009	Chrisna Chalmers

30.3 Fifty percent of the ordinary shares in the table above will be held in trust by the attorneys as set out in paragraph 5.1.3 of Annexure 1.

31. CONSENTS

Each of the company's advisers, commercial banker, Nexia HBLT Chartered Accountants (East Rand) Inc, Smith Tabata Ramsay Webber Buchanan Boyes Inc and Robert Mitchley Attorney, and the transfer secretaries, have consented in writing to act in the capacities stated and to their names appearing in this prospectus and have not withdrawn their consent prior to the registration of this prospectus.

32. CORPORATE GOVERNANCE

The company's Corporate Governance policy is set out in Annexure 6.

33. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out in Annexure 1, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this prospectus contains all information required by law and the Listings Requirements.

34. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents which have been submitted to the Registrar of Companies will be available for inspection at the registered office of the company and at Exchange Sponsors (Proprietary) Limited's office, 39 First Road, Hyde Park, 2196, at any time during normal business hours from 08:30 to 17:00 for a period of 21 days from the date of this prospectus:

- the memorandum and articles of association of the company;
- the signed reports by the independent reporting accountants, the texts of which are set out in Annexures 3, 4 and 5;
- the written consents of the company's advisers and transfer secretaries to act in those capacities, which consents have not been withdrawn prior to registration;
- the directors' service agreements;
- the audited annual financial statements of 1time since 31 December 2004;

- directors' valuation of Erf 1017, Clarens (Extension 11) and 10% shareholding in Vigne d'Or Properties (Proprietary) Limited;
- the irrevocable undertakings referred to in paragraph 9.8 above; and
- a signed copy of this prospectus.

35. PARAGRAPHS OF SCHEDULE 3 TO THE ACT WHICH ARE NOT APPLICABLE

The numbers of the paragraphs in Schedule 3 to the Act, which are not applicable, are:

1(b), 2(d), 6(d), 6(e)(i), 6(e)(ii), 6(g), 6(h), 8(b), 8(d), 9(b), 11, 12, 13, 14, 17(c), 16(a), 17(b), 18(b), 20(b), 21, 24, 26, 27, 28 and 30.

Signed at Johannesburg by Glenn Wayne Orsmond on his own behalf as director and on behalf of all the other directors of 1time on 2 August 2007.

SGD

G W Orsmond

SGD

For: S M Twala, non-executive Chairman, herein represented by Glenn Wayne Orsmond under and in terms of a power of attorney executed on 2 July 2007

SGD

For: G W Harrison, a director, herein represented by Glenn Wayne Orsmond under and in terms of a power of attorney executed on 2 July 2007

SGD

For: R L James, a director, herein represented by Glenn Wayne Orsmond under and in terms of a power of attorney executed on 2 July 2007

SGD

For: M J Kaminski, a director, herein represented by Glenn Wayne Orsmond under and in terms of a power of attorney executed on 2 July 2007

SGD

For: R M Loader, an alternative Non-Executive director, herein represented by Glenn Wayne Orsmond under and in terms of a power of attorney executed on 2 July 2007

SGD

For: S J Petersen, a director, herein represented by Glenn Wayne Orsmond under and in terms of a power of attorney executed on 2 July 2007

SGD

For: G L Wishart, a Non-Executive director, herein represented by Glenn Wayne Orsmond under and in terms of a power of attorney executed on 2 July 2007

SGD

For: M Snyman, a director, herein represented by Glenn Wayne Orsmond under and in terms of a power of attorney executed on 2 July 2007

DIRECTORS, EXECUTIVE MANAGEMENT, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS OF DIRECTORS

1. FULL NAMES, AGES, FUNCTIONS AND BUSINESS ADDRESSES OF THE BOARD OF DIRECTORS OF 1TIME

Director	Age	Function	Business address
S M Twala	50	Non-executive Chairman	Unit 12 Jan Smuts Park, Jones Road, Jet Park Gauteng
G W Orsmond	44	Chief Executive Officer	Unit D2, Isando Industrial Park, Gewel Road Isando
G W Harrison	48	Flight Operations Director CEO 1time Charters	Unit D2, Isando Industrial Park, Gewel Road Isando
R L James	46	Marketing Director	Unit D2, Isando Industrial Park, Gewel Road Isando
M J Kaminski	35	Information Technology Director	Unit D2, Isando Industrial Park, Gewel Road Isando
R M Loader	41	Alternative Non-Executive	Virginia Airport, Durban
S J Petersen	48	Aeronexus Corporate and Technical Chief Executive Officer	Unit D2, Isando Industrial Park, Gewel Road Isando
M Snyman	26	Financial Director	Unit D2, Isando Industrial Park, Gewel Road Isando
G L Wishart	45	Non-Executive	Virginia Airport, Durban

Note:

All the directors are South African.

2. EXPERIENCE OF DIRECTORS AND SENIOR MANAGEMENT

2.1 Sipho Twala (Non-Executive Chairman) (B. Com, H. Dip Co) (50)

After completing his studies, Sipho served articles with Deloitte & Touche in 1985, and has held senior positions at Shell Oil, Nestlé, Otis Elevator and African Bank culminating in his 20 years of experience in the financial environment. Sipho chairs the Audit Committee and is actively involved in reviewing contracts, controls and Corporate Governance at 1time. Sipho's current position is the Executive Director of Safomar Aviation Group, a company focusing on aviation logistics and support as well as aviation-related security technologies.

Executive Management Team

2.2 Glenn Wayne Orsmond (Chief Executive Officer) (B. Com), (CA)(SA) (44)

Glenn completed a B. Com degree at Rhodes University and his CTA at the University of Port Elizabeth. Glenn qualified as a Chartered Accountant in 1991 after completing his articles at Price Waterhouse. After undergoing a two-year management training programme at Standard Bank, Glenn joined Bop Air as General Manager. Bop Air was successfully transformed from a Government subsidised airline to the profitable privately owned Sun Air.

Glenn joined Comair in 1995 as Commercial Planning Manager and later became Financial Director of Comair overseeing the listing of Comair in 1998. Glenn left Comair in August 2003 to set up 1time with his partners.

2.3 Gavin Wade Harrison (Flight Operations Director, CEO of 1time Charters) (ALTP) (48)

Gavin is a qualified aircraft maintenance engineer and commercial pilot with over 24 years' experience in aviation. Gavin was involved with Rodney in setting up the original Sun Air maintenance facility.

Gavin has over 9 000 hours experience as a commercial pilot and is currently a Captain on the DC9 and MD 82 aircraft types. Gavin successfully set up the 1time flight operations department and has received favourable reports from Civil Aviation audits for 1time's flight safety standards.

2.4 Rodney Laurence James (Marketing Director) (46)

Rodney is an aircraft maintenance engineer with over 23 years' experience in aircraft maintenance. Rodney was responsible for setting up the Bop Air maintenance facility before transforming it into Amtec (as Managing Director) and later Aeronexus (Pty) Limited, which Rodney, Sven Petersen and Gavin Harrison formed in 2001. Rodney was instrumental in successfully introducing the DC9 type aircraft into South Africa.

Rodney successfully launched the 1time brand as an airline with low airfares and no hidden costs and its marketing slogan "More nice, less price".

2.5 Michael Kaminski (Information Technology Director) (B Com, MCSE, CNE) (35)

Michael has been actively involved in the implementation of the 1time on-line booking reservation system as well as the ongoing maintenance of the diverse computer network system. Michael qualified with a B.Com degree in 1993 and has successfully owned and run a computer and IT business for 15 years. Michael provides the necessary skill and enthusiasm to oversee the 1time IT strategy.

2.6 Sven Jabbour Petersen (Aeronexus Corporate and Aeronexus Technical Chief Executive Officer) (ALTP) (48)

Sven is a qualified aircraft maintenance engineer and flight engineer. He completed his apprenticeship at SAA and gained extensive experience on various aircraft, up to and including Boeing 747, during his career of 24 years. He is also a B727 and DC9 captain with an Airline Pilot Transport Licence and international experience. Sven is Chief Executive Officer of Aeronexus Technical, the technical subsidiary, and Aeronexus Corporate, the VIP business.

2.7 Michael Snyman (B. Com) (CA)(SA) (26)

Michael graduated from RAU with a B. Com Acc (Hons) in 2003. After completing his articles and qualifying at RSM Betty and Dickson (Johannesburg) he qualified as a CA(SA). Michael is currently the Financial Director at 1time where he is responsible for the full financial function including managing the finance department, financial controls, financial reporting, fraud, taxation matters and viability assessments of projects.

Non-executive Management

2.8 Rory Michael Loader (B. Com, LLB, LLM) (41)

Rory completed B. Com and LLB degrees at University of Natal, followed by a LLM degree at RAU University where after he practised as a public prosecutor and state advocate. Rory subsequently gained admission to the Johannesburg Bar where he practised as an advocate for 12 years.

Rory has been involved in aviation for over five years in various capacities gaining invaluable experience in the African aviation market. Rory joined Avstar where he is responsible for all legal and commercial matters.

2.9 Grant Logan Wishart (B. Sc. Engineering, Mining) (45)

Grant spent nine years with the Trans Natal Coal group with his most recent position being acting General Manager of Eikeboom Colliery. During May 1991 he left in order to establish his own business interests. He was involved in developing Polmaise Colliery coal mine which commenced production during August 1994. During 2003 Avstar was established. Initially operations encompassed a flight school and charter (up to 10 seater aircraft). During 2006 operations were expanded to include 737-200 aircraft. Avstar also have a controlling interest in an aircraft maintenance organisation, which is based at Virginia Airport in Natal. During December 2006 Avstar acquired a strategic interest in 1time Airline.

3. QUALIFICATION, APPOINTMENT, REMUNERATION AND BORROWING POWERS OF DIRECTORS

3.1 The relevant provisions of the articles of association of 1time relating to qualification, appointment, remuneration and borrowing powers of directors are set out in paragraph 7 below. The borrowing powers may only be varied by special resolution, although the members may set limits by way of ordinary resolutions, which limits have not been exceeded since 1time's incorporation.

3.2 In terms of the declarations lodged by the directors in accordance with Schedule 21 of the Listings Requirements, none of the following applies to any of the directors, listed in paragraph 1 at the date of this prospectus: bankruptcies or individual voluntary arrangements; receiverships or compulsory liquidations, creditors' voluntary liquidations, administrations, group voluntary liquidations, or any compromise or arrangement with creditors, partnership voluntary arrangements; receivership of an asset of a partnership; or public criticism or disqualification in Court by way of statutory or recognised bodies of any offence involving dishonesty.

4. DIRECTORS' REMUNERATION

4.1 The remuneration and benefits paid to the directors for the year ended 31 December 2006 is as follows:

Year ended 31 December 2006	Basic R	Motor allowance R	Bonus R	Directors' fees R	Total R
S M Twala*	–	–	–	110 175	110 175
G W Orsmond	705 870	120 000	50 000	–	875 870
S J Petersen	705 870	120 000	50 000	71 400	947 270
M J Kaminski	705 870	120 000	50 000	–	875 870
R L James	705 870	120 000	50 000	–	875 870
G W Harrison	705 870	120 000	50 000	–	875 870
B Topham**	–	–	–	80 850	80 850
Y Shalem**	–	–	–	34 200	34 200
	3 529 350	600 000	250 000	296 625	4 675 975

Notes:

* Non-executive.

** Directors 2006, resigned.

All the directors are South African. Michael Snyman was appointed in 2007.

4.2 There will be no material variation in the remuneration receivable by any of the directors as a direct consequence of the private placement and listing.

4.3 No payments were made, or accrued as payable, or are proposed to be paid within the three years preceding the date of the prospectus, either directly or indirectly, in cash or securities or otherwise to:

4.3.1 the directors in respect of management, consulting, technical, secretarial fees or restraint payments;

4.3.2 a third party *in lieu* of directors' fees;

4.3.3 the directors as an inducement to qualify them as directors.

4.4 No director or promoter has any material beneficial interest, direct or indirect, in the promotion of 1time and in any property to be acquired or proposed to be acquired by 1time out of the proceeds of the issue or during the three years preceding the date of this prospectus.

4.5 No business of 1time, or any of 1time's subsidiaries, or any part thereof, is managed or is proposed to be managed by a third party under a contract or arrangement.

5. DIRECTORS' SHAREHOLDINGS

5.1 The directors will, at the last practicable date and after the private placement hold, directly and indirectly, the following shares in 1time:

Director	Number of shares held		Number of shares held				
	Beneficially Direct	Beneficially Indirect	Non-beneficially Direct	Non-beneficially Indirect	Total number of shares held	Percentage held, before the private placement	Percentage held, after the private placement
S M Twala*		**1 608 963**			**1 608 963**	**0.9**	**0.61**
G W Orsmond	**27 445 314**				**27 445 314**	**15.3**	**10.37**
S J Petersen	**27 445 314**				**27 445 314**	**15.3**	**10.37**
M J Kaminski		**27 401 750**			**27 401 750**	**15.1**	**10.35**
R L James	**27 445 314**				**27 445 314**	**15.3**	**10.37**
G W Harrison	**27 445 314**				**27 445 314**	**15.3**	**10.37**
G L Wishart*		**31 527 581**			**31 527 581**	**17.5**	**17.40**
M Snyman**							
	109 781 256	**60 538 294**	**–**	**–**	**170 319 550**	**94.7**	**69.84**

Notes:

* Non-executive.

** M Snyman will be acquiring 100 000 shares as part of the private placement.

5.1.1 There have been no changes in the interests of the directors between 31 December 2006 and the date of this prospectus, save as set out above.

5.1.2 No director has or had any interest, directly or indirectly, in any transaction, which is, or was, material to the business of 1time and which was effected by the company since incorporation, which remains in any respect outstanding or unperformed.

5.1.3 1time's attorneys will hold in trust 50% of the shareholding of each director and the Designated Adviser ("the relevant securities") from the date of listing until the publication of the audited results for 31 December 2008, after which 50% may be released and the balance one year thereafter and the required certificate to that effect has been lodged with the JSE by 1time's attorneys. The shares will not be released before notification to the JSE.

5.1.4 No loans (save as disclosed in paragraph 17 of the prospectus) or securities were furnished by 1time or by any of its subsidiaries to or for the benefit of any director or manager or any associate of any director or manager of 1time.

5.1.5 There is no share incentive scheme for directors.

5.1.6 **Directors' service contracts**

Each of the executive directors has a service contract with 1time, containing such terms as are normal for such contracts and the terms relating to the remuneration of which are set out in paragraph 4.1 above.

6. OTHER DIRECTORSHIPS HELD BY DIRECTORS OF 1TIME

The names of companies and partnerships to which the directors have been a director or partner at any time in the previous five years:

Director	Previous directorships/ memberships	Current directorships/ memberships	Registration number
S M Twala		Safomar Aviation (Pty) Limited	1985/004481/07
		Litha Healthcare Holdings (Pty) Limited	1998/002771/07
		The Landelahni Group Holdings (Pty) Limited	2000/024379/07
		Aerosales Africa (Pty) Limited	2003/030700/07
		Yila Resources (Pty) Limited	2002/000444/07
	Greenstart Home Loans (Pty) Limited		2000/017942/07
	Jigmining (Pty) Limited		1994/009012/06
G W Orsmond	Comair		1967/006783/06
		1, 2, 3, 4	1, 2, 3, 4
S J Petersen		1, 2, 3, 4	1, 2, 3, 4
M J Kaminski		1, 2, 3, 4	1, 2, 3, 4
R L James		1, 2, 3, 4	1, 2, 3, 4
G W Harrison		1, 2, 3, 4	1, 2, 3, 4
G L Wishart		Avstar Aviation (Pty) Limited	2003/011244/07
		Avstar Group (Pty) Limited	2006/020686/07
		Avstar Holdings (Pty) Limited	2006/020253/07
		Avstar Maintenance (Pty) Limited	2007/003333/07
		Applemint Properties 45 (Pty) Limited	2006/032086/07
		Euro Coal (Pty) Limited	1993/007398/07
		Gideon Air (Pty) Limited	2003/009339/07
		Ibhubesi Ore Exploration (Pty) Limited	2002/028041/07
		Mid-East Aviation (Pty) Limited	2007/009556/07
		Nooitgedacht Colliery (Pty) Limited	2002/027971/07
		Penguin Mining & Plant (Pty) Limited	2002/012794/07
		Polmaise Colliery (Pty) Limited	1999/020574/07
		Sardius Properties (Pty) Limited	2006/018172/07
		SWS Mining (Pty) Limited	2006/019409/07
		Rietspruit Crushers (Pty) Limited	1997/010711/07
R M Loader	Avstar Aviation (Pty) Limited		2003/011244/07
		Avstar Group (Pty) Limited	2006/020686/07
		Avstar Holdings (Pty) Limited	2006/020253/07
		Avstar Maintenance (Pty) Limited	2007/003333/07

Notes:

(1) 1time Airline (Pty) Limited – registration number 2003/020975/07.

(2) Egoli Air (Pty) Limited t/a 1time Charters – registration number 1999/013639/07.

(3) Aeronexus Corporate (Pty) Limited – registration number 2002/022842/07.

(4) Aeronexus Technical (Pty) Limited – registration number 1999/006088/07.

7. RELEVANT PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY PROVIDING FOR THE APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS OF DIRECTORS

Extracts of the relevant provisions in the articles of association of the company that provide for the Appointment, Qualification, Remuneration and the Borrowing Powers of directors are set out below:

10. "BORROWING POWERS

10.1 From time to time the directors may borrow, raise or secure for the purposes of the company such sums as they deem fit provided they are authorised to do so.

10.2 The directors may raise or secure the payment or repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit, whether by creation and issue of debentures, mortgage or charge upon account or any of the property or assets of the company, including its uncalled or unpaid capital.

10.3 The directors shall cause a proper register to be kept in accordance with the provisions of the Act of all mortgages and charges specifically affecting the property of the company, and they shall cause to be entered in such register in respect of each mortgage or charge a short description of the property mortgaged or charged, the amount of the charge created, the name of the mortgagee or person entitled to such charge and such further particulars as the provisions of the Act require."

17. "DIRECTORS

17.1 The number of directors shall not be less than four.

Non-executive directors:

17.1.1 S M Twala *(Chairman)*;

17.1.2 G L Wishart;

17.1.3 R M Loader (alternate).

Executive directors:

17.1.4 G W Orsmond;

17.1.5 G W Harrison;

17.1.6 R L James;

17.1.7 M Kaminski;

17.1.8 S J Petersen;

17.1.9 M Snyman.

17.2 The directors shall have power at any time and from time to time to appoint any person as a director, either to fill a casual vacancy, or as an additional director. Any person appointed to fill a casual vacancy or as additional director shall retain office only until the next following annual general meeting of the company and his appointment shall be subject to confirmation at such annual general meeting.

17.3 The directors shall not be obliged to hold any shares to qualify them as directors.

17.4 The remuneration of the directors shall be such sum as may from time to time be determined by an independent, non-executive committee of the board. Such remuneration shall be divided among the directors in such proportions and manner as the said committee may determine. Executive directors shall not be entitled to receive directors' fees (in addition to the remuneration they may receive as employees of the company), but shall be entitled to payments under 17.4, 22.1.2 and 25.3.

17.5 The directors shall be paid all their travelling and other expenses properly and necessarily incurred by them in and about the business of the company, and in attending meetings of the directors or of committees thereof from any place in the Republic. If any non-executive director shall be required to perform extra service or to go or to reside abroad, or if any director shall be specially occupied about the company's business or perform services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director, he may receive such extra remuneration as determined by a disinterested quorum of the directors and such extra remuneration may be either in addition to or in substitution for the remuneration provided for in the last preceding article.

17.6 The continuing directors may act notwithstanding any casual vacancy in their body, so long as there remain in office not less than the prescribed minimum number of directors duly qualified to act; but if the number falls below the prescribed minimum, the remaining directors shall not act for any purpose other than calling a general meeting or to fill the vacancy.

18. DISQUALIFICATION OF DIRECTORS

18.1 A director shall cease to hold office as such:

18.1.1 if he becomes insolvent, or assigns his estate for the benefit of his creditors or suspends payment or files a petition for the liquidation of his affairs, or compounds with his creditors; or

18.1.2 if he becomes of unsound mind; or

18.1.3 if he is absent from meetings of the directors for six (6) consecutive months without leave of the directors and is not represented at any meetings held during such six (6) consecutive months by an alternate director, and the directors resolve that the office be vacated, provided that the directors shall have power to grant any director leave of absence for any or an indefinite period; or

18.1.4 if he is removed under Article 20.1 or Article 20.3, or

18.1.5 one month, or, with the permission of the directors, earlier, after he has given notice in writing of his intention to resign; or

18.1.6 if he shall pursuant to the provisions of the Act be disqualified or cease to hold office or be prohibited from acting as director; or

18.1.7 if he is or accepts any appointment as a director or an employee of a rival company.

19. CONTRACTING WITH DIRECTORS

19.1 No director or intending director shall be disqualified by his office from contracting with the company, whether with regard to such office or as vendor or purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the company, in which any director shall in any way be interested, be or be liable to be avoided; nor shall any director so contracting or being so interested be liable to account to the company for any profit realised by any such contract or arrangement by reason of such director holding that office, or of the fiduciary relationship thereby established, but the nature of his interest shall be declared by him in accordance with the provisions of the Act.

19.2 Notwithstanding anything herein contained, the company shall not make any loan to a director or enter into any guarantee or provide any security in connection with a loan made to a director by any other person if and so far as any such loan, guarantee or provision of security is at any time prohibited by the Act.

19.3 No director shall vote as a director in respect of any contract or arrangement in which he is so interested as aforesaid, and if he does so vote, his vote shall not be counted, provided that these prohibitions shall not apply to:

19.3.1 any contract or dealing with a company of which the directors of the company or any of them may be directors, members, managers, officials or employees or otherwise interested;

19.3.2 the giving of any security or indemnity to a director in respect of money lent or obligations or other liabilities incurred by him at the request of or for the benefit of the company or any of its subsidiaries;

19.3.3 any contract to underwrite or sub-underwrite any shares or obligations of the company or any shares in or debentures or obligations of any company in which the company may be in any way interested;

19.3.4 any proposal concerning an offer of shares or debentures or other securities of or by the company or any of its subsidiaries for subscription or purchase in which offer a director is or is to be interested directly or indirectly in the underwriting or sub-underwriting thereof, or any allotment or issue complying with the provisions of section 222 of the Act;

19.3.5 any resolution determining the remuneration of the directors in terms of Article 17.3 or 17.4;

19.3.6 any contract for the payment of commission in respect of the subscription for shares or obligations of the company;

19.3.7 the giving of any security or indemnity to a third party in respect of a debt or obligation of the company or any of its subsidiaries for which the director himself has assumed responsibility in whole or in part under a guarantee of indemnity or by the giving of security;

19.3.8 any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which a director may benefit and which has been approved by or is subject to and conditional upon approval by the relevant revenue authorities for taxation purposes.

The above prohibitions may at any time be suspended or relaxed to any extent by the company in general meeting.

19.4 Any notice given to the board of directors by a director to the effect that he is a member/representative of any competitive company or firm must be given to the board of directors immediately when that director becomes a member/director of any such competitive company or firm.

19.5 For the purpose of this Article, an alternate director shall not be deemed to be interested in any contract or arrangement merely because the director for whom he is an alternate is so interested.

19.6 Nothing in this article contained shall be construed so as to prevent any director as a member from taking part in and voting upon all questions submitted to a general meeting whether such director shall be personally interested or concerned in such question or not.

20. EMPLOYMENT AND REMOVAL OF DIRECTORS

20.1 A director may be employed by or hold any office of profit under the company or under any subsidiary of or holding company of the company in conjunction with the office of director, other than that of auditor of the company or of any subsidiary company, provided that the terms as to appointment, remuneration and otherwise are fully disclosed to the board and are determined by a disinterested quorum of the directors. Any remuneration so paid may be in addition to the remuneration payable in terms of Article 17.3.

20.2 Subject to the provisions of the Act, the company may by ordinary resolution remove any director before the expiration of his period of office and may by ordinary resolution elect another person in his stead. The person so elected shall hold office during such time only as the director in whose place he is elected would have held office.

20.3 The company shall keep at the office a register containing the particulars of its directors, managers and secretaries and shall furnish the Registrar of Companies with particulars thereof as provided for in the Act.

20.4 A director may, before the expiration of his period of office, be removed from office by a resolution signed by all the other directors.

21. ROTATION OF DIRECTORS

21.1 At the annual general meeting held in each year, one-third of the directors, or if their number is not a multiple of three (3) then the number nearest to, but not less than one-third, shall retire from office, provided that in determining the number of directors to retire no account shall be taken of any director who by reason of the provisions of Article 22.1.1 is not subject to retirement. The directors so to retire at each annual general meeting shall be those who have been longest in office since their last election or appointment. As between directors of equal seniority, the directors to retire shall, in the absence of agreement, be selected from among them by lot; provided that notwithstanding anything herein contained, if, at the date of any annual general meeting any director will have held office for a period of three years since his last election or appointment, he shall retire at such meeting, either as one of the directors to retire in pursuance of the foregoing or additionally thereto. A retiring director shall act as a director throughout the meeting at which he retires. The length of time a director has been in office shall, save in respect of directors appointed or elected in terms of the provisions of Articles 17.1.9 and 20.1 be computed from the date of his last election or appointment. In compliance with the principle of rotation of directors, it is en express provision that life directorships are not permissible.

21.2 Retiring directors shall be eligible for re-election. No person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election to the office of director at any general meeting unless, there shall have been given to the secretary notice in writing:

21.2.1 in respect of the annual general meeting, within the first two months after the year end of the company;

21.2.2 in respect of any other meeting, not less than six days nor more than fourteen days before the day appointed for the meeting,

by not less than 10 members holding together at least 10% of the issued share capital of the Company of the intention of such members to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

21.3 Subject to the preceding article, the company in general meeting may fill the vacated offices by electing a like number of persons to be directors, and may fill any other vacancies. In electing directors, the provisions of the Act shall be complied with.

21.4 If at any annual general meeting at which an election of directors ought to take place, the place of any retiring director is not filled, he shall, if willing, continue in office until the dissolution of the annual general meeting in the next year, and so on from year to year until his place is filled, unless it shall be determined at such meeting not to fill such vacancy.

22. MANAGING DIRECTORS AND/OR CHIEF EXECUTIVE OFFICERS

22.1 The non-executive directors may from time to time appoint a person or persons to be managing director, chief executive officer or joint managing directors/chief executive officers of the company and may also appoint, from time to time, any acting managing director or chief executive officer, to be the holder of any other executive office in the company, including for the purposes of the articles, the office of chairman or deputy chairman and the members of, and chairman and deputy chairman of, any committees.. The non-executive directors may from time to time determine the period of office of such appointee and may, subject to any contract between him or them and the company, from time to time terminate his or their appointment and appoint another or others in his or their place or places. Such persons appointed in terms of this Article 22.1 shall be directors of the company.

22.1.1 A managing director or chief executive officer may be appointed by contract for a maximum period of three years at any one time or for an indefinite period provided the managing director's or chief executive officer's contract may be terminated upon reasonable notice. Subject to the terms of his contract he shall be subject to the same provisions as to removal as the other directors, and if he ceases to hold the office of director from any cause he shall *ipso facto* cease to be managing director or chief executive officer. The managing director or chief executive officer shall be eligible for re-appointment at the expiry of any period of appointment.

22.1.2 A managing director or chief executive officer so appointed shall not, while holding such office, be subject to retirement by rotation or taken into account in determining the rotation or retirement of directors.

22.2 A director who is appointed in terms of the provisions of Article 21.4 to the office of managing director or chief executive officer of the company, or to any other executive office in the company may be paid such remuneration not exceeding a reasonable maximum in each year in respect of such office or services as may be determined by a disinterested quorum of the directors.

22.3 The directors may from time to time entrust and confer upon a managing director or chief executive officer or other executive officer appointed under Article 22 from time to time such of the powers and authorities vested in them as they think fit, and may confer such powers and authorities for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient, and they may convert such powers and authorities either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers and authorities of the directors, and may from time to time revoke, withdraw, alter or vary all or any of such powers and authorities.

23. PROCEEDINGS OF DIRECTORS

23.1 The directors may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, provided that there shall be at least 4 (four) board meetings per annum. Until otherwise determined by the company in general meeting, two non-executive directors and one executive director present and voting throughout the meeting shall form a quorum. A director may at any time require the secretary to convene a meeting of the directors. Notice of a meeting shall be given to a director at the business address of the director as nominated by the director. A meeting of the directors shall not be called on less than 48 (forty-eight) hours' notice, unless the managing director or chief executive officer and Chairman determine in their sole discretion that the business to be conducted is so urgent that shorter notice is required or unless all directors waive such notice. The minutes of meeting called on less than 48 (forty-eight) hours' notice shall, as soon as reasonably possible after the meeting, be circulated to all directors.

23.2 Questions arising at any meeting shall be decided by a majority of votes. If, within half an hour from the time appointed for a meeting, a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or if that day is a public holiday in the Republic, to the next succeeding business day. Notwithstanding the provisions of Article 23.1, those directors that are present within half an hour form the time appointed for the meeting shall constitute a quorum.

23.3 The directors may elect one of the non-executive directors to be the chairman of their meetings and one or more non-executive directors as deputy chairmen to preside in the absence of the chairman, and may determine a period for which they are to hold office, which period shall, however, not exceed three years, but if no such chairman or deputy chairman is elected or if at any meeting neither the chairman nor a deputy chairman is present at the time appointed for holding the same, the directors shall choose one of their number to be chairman of such meeting. The chairman shall be eligible for re-election.

23.4 A meeting of the directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the articles or the regulations of the company vested in or exercisable by the directors generally from time to time.

23.4.1 The directors may delegate any of their powers to a committee consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the directors.

23.5 The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulations made by the directors under the last preceding article, save that in the case of an equality of votes the chairman shall not have a second or casting vote.

23.6 All acts done at any meeting of the directors or of a committee of the directors, or by a director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more directors, or that they or any of them were disqualified or had vacated office or were not qualified to vote, be as valid and effectual as if every such person had been duly appointed and was qualified to be and to act and vote as a director.

23.7 As regards all persons dealing in good faith with the company, all acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director in terms of the articles, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of such directors or persons acting as aforesaid, or that they or any of them were disqualified or had ceased to hold office or were not entitled to vote, be as valid as if every such person had been duly appointed or was qualified or had continued to be a director or was entitled to vote, as the case may be.

23.8 Minutes shall be kept of proceedings at duly convened directors' meetings and of sub-committees of the board of directors.

23.9 A round robin resolution may be taken without a meeting in the following manner: a resolution in writing signed by all directors and inserted in the directors' minute book, shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and constituted. A resolution passed in terms of this article may consist of several documents in like form each signed by one or more directors and with due regard to the provisions of section 236 of the Act. A resolution passed in terms of this article shall be deemed to be passed on the day it was signed by the last director or alternate director entitled to sign it.

23.10 Meetings of directors may be held by such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously throughout the duration of the meeting. A resolution signed by a majority of those directors who were connected electronically with each other by a video, telephone or similar conference facility in circumstances where:

23.10.1 the directors so connected remained connected for the duration of the conference and constituted all the directors or their respective alternates; or

23.10.2 all directors have been given, or reasonable attempts have been made to give, notification (whether electronic or otherwise) of the proposed conference and the directors so connected were in total not less than sufficient to form a quorum at a meeting of the directors; and

23.10.3 the subject matter of the resolution has been discussed during the conference; and

23.10.4 the Chairperson or failing him or her the Deputy Chairperson, or failing him or her any other director so connected, certifies in writing that the requirements of Article 23.10 or 23.10.1 and 23.10.2 have been complied with,

shall be deemed to have been passed on the date on which it was signed by the director who last signed it (unless a statement to the contrary is made in that resolution) and such resolution may consist of several documents, each of which may be signed by one or more of the directors participating in such conference.

24. ALTERNATE DIRECTORS

24.1 Each director shall have the power to appoint a person to act as alternate director in his place, and at his discretion to remove such alternate director, and to appoint another in his stead, provided that the appointment of such alternate director shall be made in writing and approved by the directors; and on such appointment being made and approved, the alternate director shall in all respects be subject to the terms and conditions existing with reference to the other directors of the company. An alternate director shall be entitled to act at all meetings and in all proceedings in which, and on all occasions when, the director who appointed him shall not act himself.

24.2 An alternate director whilst acting in the place of the director who appointed him, shall exercise and discharge all the duties and functions of the director he represents. The appointment of an alternate director shall be cancelled and the alternate director shall cease to hold office whenever the director who appointed him shall cease to be a director or shall give notice in writing to the secretary that the alternate director representing him shall have ceased to do so. A director retiring at any annual general meeting and being re-elected shall not, for the purposes of this article, be deemed to have ceased to be a director.

24.3 The appointment of an alternate director shall be cancelled and the alternate director shall cease to hold office on the happening of any event which, if he were a director, would cause him to cease to hold office in terms of the articles.

24.4 In the event of the appointment of an alternate director being cancelled or upon such alternate director's resignation during the absence or inability to act of the director whom he represents, the vacancy so arising shall be filled by the chairman of the directors who shall appoint a person to fill such vacancy subject to the approval of the board.

24.5 A person may be appointed as alternate to more than one director and where a person is alternate to more than one director, or where an alternate director is a director, he shall have a separate vote, on behalf of each director he is representing, in addition to his own vote, if any.

25. POWERS OF DIRECTORS

25.1 The management of the business and the control of the company shall be vested in the directors who may exercise all such powers as may be exercised by the company and are not hereby or by the Act expressly directed or required to be exercised by the company in general meeting, but subject, nevertheless, to the provisions of the articles and to any resolution not inconsistent with the articles passed at any general meeting of the members in accordance therewith; provided that no resolution passed by the company in general meeting shall invalidate any prior act of the directors which would have been valid if such resolution had not been passed.

25.2 The directors shall have the power to enter into a provisional contract for the sale or alienation of the whole or substantially the whole of the undertaking of the company, or the whole or the greater part of the assets of the company. However, such provisional contract shall only become binding on the company in the event of the specific transaction proposed by the directors being ratified and confirmed by a resolution of the members in general meeting.

25.3 Without in any way limiting or restricting the general powers of the directors to grant pensions, allowances, gratuities and bonuses to officers or ex-officers, employees or ex-employees of the company or the dependants of such persons, it is hereby expressly declared that the directors may from time to time without any further sanction or consent of the company in general meeting grant pensions, gratuities or other allowances to any person or to the widow or dependants of any deceased person in respect of services rendered by him to the company as managing director, executive director, general manager or manager, or in any other office or employment under the company, notwithstanding that he may continue to be elected as director or may have been a director of the company, of such amounts, for such period, whether for life or for a definite period or for a period terminable on the happening of any contingency or event, and generally upon such terms and conditions as the directors in their discretion may from time to time think fit. For the purpose of this article, the expression “executive director” shall mean a director appointed to an executive office in the company and receiving salary or remuneration for additional services whether under a service agreement or otherwise.

25.4 The directors may authorise the payment of such donations by the company to such religious, charitable, public or other bodies, clubs, funds or associations or persons as may seem to them advisable or desirable in the interest of the company.”

HISTORICAL FINANCIAL INFORMATION OF 1TIME

The definitions commencing on page 11 of this prospectus have been used in this report.

The income statements, balance sheets, statements of changes in equity, cash flow statements and the related notes have been extracted, without adjustment, from 1time's audited financial statements for the three financial years ended 31 December 2006.

The audited financial statements of 1time have been prepared in the manner required by the Act in accordance with IFRS.

The independent reporting accountant's report on the historical financial information of 1time for the three financial years ended 31 December 2006 is set out in Annexure 5 to this prospectus.

The previous auditors of 1time Airline (Pty) Limited, Gcabashe Auditing Services Inc., have issued an unqualified audit opinion on the audited statutory annual financial statements for the year ended 31 December 2006.

FINANCIAL STATEMENT COMMENTARY

Share capital

The authorised share capital was increased to 100 000 ordinary shares and 11 883 ordinary shares were issued during the year under review. The authorised and issued share capital of the company at 31 December 2006 is set out in Note 10 of the annual financial statements.

Principal activities

The company is engaged in holding shares in its subsidiaries and managing the group. The subsidiary companies are in the business of a domestic airline, aircraft maintenance, aircraft charters and aircraft leasing.

General review

The group's business and operations, and the results thereof, are reflected in the attached financial statements and no other fact or circumstance material to a fair assessment of the financial position of the group has occurred.

Property, plant and equipment

There were no major changes in the nature or use of the property, plant and equipment owned by the company or any of it's subsidiaries during the year under review.

Dividends

The dividends already paid and declared to shareholders during the year are as reflected in the attached statement of changes in equity.

An interim dividend of 200 000 cents per share was declared on 30 September 2006.

Subsequent events

Two MD 82 aircraft were purchased for a total of R43 million subsequent to year-end.

INCOME STATEMENT

Figures in Rand	**Notes**	**2006**	**2005**	**2004**
Revenue	24	491 390 450	370 285 558	182 112 927
Operating costs		(466 160 567)	(385 980 383)	(176 993 061)
Operating profit/(loss)	22	**25 229 883**	**(15 694 825)**	**5 119 866**
Setup costs		–	–	(5 087 724)
Discount on purchase		3 044 479	565 877	–
Finance costs	26	(5 271 576)	(2 445 378)	(1 105 141)
Investment income	25	2 641 303	2 265 750	1 105 647
Profit on sale of asset		2 202 845	1 145 580	149 828
Profit/(Loss) on foreign exchange		(396 827)	(408 030)	822 519
Profit/(Loss) before taxation		**27 450 107**	**(14 571 026)**	**1 004 994**
Taxation	19	(6 877 238)	1 554 858	240 947
Profit/(Loss) after taxation		**20 572 869**	**(13 016 167)**	**1 245 941**
Profit attributed to MSI		5 972 146	(6 659 578)	390 003
Profit attributed to equity holders		14 600 723	(6 356 589)	855 938
Earnings per share (cents)	27	8 935 997	–	1 245 941

BALANCE SHEET

Figures in Rand	Notes	2006	2005	2004
ASSETS				
Non-current assets				
Property, plant and equipment	2	7 825 437	8 557 199	6 301 601
Aircraft	3	84 772 317	42 624 568	14 429 765
Investment property	4	985 800	895 000	–
Investments	5	1 250 000	–	–
Goodwill	6	2 100 141	259 228	259 228
Deferred tax	14	–	3 195 661	865 786
		96 933 695	**55 531 656**	**21 856 380**
Current assets				
Trade and other receivables	7	23 791 448	8 359 651	22 141 765
Inventory	8	11 809 445	6 005 645	5 626 469
Bank and cash	9	33 588 240	20 285 053	13 317 647
		69 189 133	**34 650 349**	**41 085 881**
Total assets		**166 122 828**	**90 182 005**	**62 942 261**
EQUITY AND LIABILITIES				
Equity				
Issued capital	10	11 983	100	100
Share premium	10	18 729 117	–	–
Shareholders' loans	11	3 300 000	4 000 000	4 000 000
Non-distributable reserves	12	5 244 605	3 533 675	–
Minority shareholders' interest		–	–	3 891 781
Retained earnings		7 839 187	(4 761 536)	1 595 053
		35 124 892	**2 772 239**	**9 486 934**
Non-current liabilities				
Long-term liabilities	13	24 171 402	15 815 933	13 398 104
Deferred tax	14	6 785 514	–	–
Aircraft maintenance reserves	15	8 141 786	6 910 591	7 455 527
		39 098 702	**22 726 524**	**20 853 631**
Current liabilities				
Trade and other payables	16	59 465 265	37 891 750	19 741 961
Bank overdraft	9	1 270 086	500 029	725 538
Short-term portion of long-term liabilities	17	12 723 179	4 141 248	1 151 741
Taxation		559 736	641 703	325 624
Unused ticket liability	18	17 880 968	21 508 512	10 656 832
		91 899 234	**64 683 242**	**32 601 696**
Total equity and liabilities		**166 122 828**	**90 182 005**	**62 942 261**
Number of shares in issue		**11 983**	**100**	**100**
Net asset value per share (cents)		**293 123**	**2 772 238**	**9 486 934**
Net tangible asset value per share (cents)		**275 597**	**2 513 010**	**9 227 706**

CHANGES IN EQUITY

Figures in Rand

	Share capital	Share premium	Share-holders loans	Non-distributable reserves	Retained income	Total
Balance at 1 January 2005	**100**	**–**	**4 000 000**	**–**	**1 595 053**	**5 595 153**
Revaluation of aircraft	–	–	–	3 533 675	–	3 533 675
Net loss for year	–	–	–	–	(6 356 589)	(6 356 589)
Minority shareholders' interest	–	–	–	–	–	–
Shareholders' loans	–	–	–	–	–	–
Balance at 31 December 2005	**100**	**–**	**4 000 000**	**3 533 675**	**(4 761 536)**	**2 772 239**
Revaluation of aircraft	–	–	–	1 710 930	–	1 710 930
Net profit for year	–	–	–	–	14 600 723	14 600 723
Share issue	11 883	16 229 117	–	–	–	16 241 000
Dividends paid	–	–	–	–	(2 000 000)	(2 000 000)
Shareholders' loans raised	–	–	2 000 000	–	–	2 000 000
Shareholders' loans repaid	–	–	(200 000)	–	–	(200 000)
Shareholders' loans capitalised	–	2 500 000	(2 500 000)	–	–	–
Balance at 31 December 2006	**11 983**	**18 729 117**	**3 300 000**	**5 244 605**	**7 839 187**	**35 124 892**

	Minority shareholders' interest	Total
Balance at 1 January 2005	**3 891 781**	**9 486 934**
Revaluation of aircraft		3 533 675
Net loss for year		(6 356 589)
Minority shareholders' interest	(3 891 781)	(3 891 781)
Shareholders' loans	–	–
Balance at 31 December 2005	**–**	**2 772 239**
Revaluation of aircraft		1 710 930
Net profit for year		14 600 723
Share issue		16 241 000
Dividends paid		(2 000 000)
Shareholders' loans raised		2 000 000
Shareholders' loans repaid		(200 000)
Shareholders' loans capitalised		–
Balance at 31 December 2006	**–**	**35 124 892**

CASH FLOW STATEMENT

Figures in Rand	Notes	2006	2005
Cash generated by customers	20	28 336 923	29 474 517
Interest received		2 641 303	2 265 750
Interest paid		(5 271 576)	(2 445 378)
Tax paid	21	(743 453)	(487 564)
Cash flows from operating activities		**24 963 197**	**28 807 326**
Property, plant and equipment acquired	2	(2 640 843)	(4 781 145)
Aircraft acquired	3	(43 439 634)	(21 127 456)
Investments acquired	5	(1 250 000)	–
Investment property acquired	4	(90 800)	(895 000)
Cash flows from investing activities		**(47 421 277)**	**(26 803 601)**
Share capital raised		18 741 000	–
Loans raised		16 950 210	5 189 191
Shareholders' loans movement		(700 000)	–
Cash flows from financing activities		**34 991 210**	**5 189 191**
Increase in cash and cash equivalents		12 533 130	7 192 915
Cash and cash equivalents at beginning of year	9	19 785 024	12 592 109
Cash and cash equivalents at end of year		**32 318 154**	**19 785 024**

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with IFRS and the Act. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value less point of sale costs and incorporate the principal accounting policies set out below:

1.1 Sources of estimation uncertainty

No key assumptions concerning the future, or other key sources of estimation uncertainty, have been made at the balance sheet date, which could have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for damaged and obsolete stock

Any stock that is physically identified as damaged or obsolete is written off when discovered.

Property, plant and equipment

Management has made certain estimations with regards to the determination of estimated useful lives and residual values of items of property, plant and equipment, as discussed further in Note 2.

1.2 Significant judgements

Other than those dealt with below, judgements made by management in applying the accounting policies that could have a significant effect on amounts recognised in the financial statements include:

Leases

Management has applied its judgement to classify all lease agreements that the company is party to as operating leases, as they do not transfer substantially all the risks and rewards of ownership to the company. Furthermore, as the operating lease in respect of premises is only for a relatively short period of time, management has made a judgement that it would not be meaningful to classify the lease into separate components for the land and for the buildings for the current lease and the agreement will be classified in its entirety as an operating lease.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company;
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or, replace part thereof. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Day to day expenses incurred on property, plant and equipment is expensed directly in profit or loss for the period. Major maintenance that meets the recognition criteria is capitalised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Aircraft are carried at fair value.

Depreciation commences when an asset is available for use. Depreciation is charged so as to write off the depreciable amount of items (other than land) to their residual values, over their estimated useful lives, using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the company.

Where an item comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment and depreciated over their estimated useful lives.

Methods of depreciation, useful lives and residual values are annually reviewed.

The following methods and useful lives were applied during the year:

Item	**Method**	**Useful life**
Aircraft	Straight line	10 years
Auxiliary power units	Straight line	4 years
Computer equipment	Straight line	3 – 4 years
Furniture and fittings	Straight line	10 years
Leasehold improvements	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	5 years
Plant and machinery	Straight line	5 years
Ramp equipment	Straight line	4 years

The depreciation charge for each period is recognised in profit or loss.

Derecognition occurs when an item of property, plant and equipment is disposed of, or when it is no longer expected to generate any further economic benefits.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item.

1.4 Investment property

An investment property is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company;
- the cost of the item can be measured reliably. Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to or to replace a part of a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.5 Goodwill

Goodwill is initially measured at cost, being the excess of the business combination over the company's interest of the net fair value of the identifiable assets, liabilities and contingent liabilities.

Subsequently goodwill, acquired in a business combination, is carried at cost less any accumulated impairment. Goodwill is not amortised.

The excess of the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss.

1.6 Investments in subsidiaries

Group annual financial statements

On acquisition the group recognises the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value, except for assets classified as held-for-sale, which are recognised at fair value less costs to sell.

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company, and its subsidiaries. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

1.7 Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed annually at the same time every year;
- tests goodwill acquired in a business combination for impairment annually. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and
- then, to the other assets of the unit, *pro rata* on the basis of the carrying amount of each asset in the unit.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in profit or loss.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Financial instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are recognised initially at fair value. In the case of financial assets or liabilities not classified as at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value.

Subsequent measurement

After initial recognition financial assets are measured as follows:

- Loans and receivables and held-to-maturity investments are measured at amortised cost less any impairment losses recognised to reflect irrecoverable amounts.
- Financial assets classified as available-for-sale or at fair value through profit or loss, including derivatives, are measured at fair values. Fair value, for this purpose, is market value if listed, or a value arrived at by using appropriate valuation models, if unlisted.
- Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost. After initial recognition financial liabilities are measured as follows:
  - financial liabilities at fair value through profit or loss, including derivatives that are liabilities, are measured at fair value; and
  - other financial liabilities are measured at amortised cost using the effective interest method.

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- where financial assets and financial liabilities are carried at amortised cost, a gain or loss is recognised in profit or loss through the amortisation process and when the financial asset or financial liability is derecognised or impaired;
- a gain or loss on a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss; and
- a gain or loss on an available-for-sale financial asset is recognised directly in equity, through the statement of changes in equity, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss.

The particular recognition methods adopted are disclosed in the individual policies stated below:

Loans to or from group companies

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowing is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

Directors, managers and employee loans

These financial assets are initially recorded at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured at the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rates computed at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.9 Leases as lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases

The company recognises finance lease receivables on the balance sheet.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the company's net investment in the finance lease.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in the income statement.

1.10 Taxation

Current tax assets and liabilities

Tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities

Deferred taxation is provided using a balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- goodwill for which amortisation is not deductible for tax purposes; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss. A deferred tax liability is recognised for all taxable temporary differences associated with investments in (subsidiaries, branches and associates, and interests in joint ventures), except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent that it is probable that: the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in equity; or
- a business combination. Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the company.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company re-acquires its own equity instruments, those treasury shares are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.13 Leases as lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases are recognised as assets and liabilities in the balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value on the minimum lease payments. Any initial direct costs are added to the amount recognised as an asset.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability.

Finance costs represent the difference between the total leasing commitments and the fair value of the assets acquired. Finance costs are charged to profit or loss over the term of the lease and at interest rates applicable to the lease on the remaining balance of the outstanding liability.

Any contingent rents are expensed in the period they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

1.14 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at balance sheet date.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates and VAT.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

- the supply of goods are recognised when the significant risks and rewards of ownership are transferred to the buyer, normally being the date the goods are delivered. Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employee render service that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.16 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the company on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred;
- activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rand, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each balance sheet date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction;
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.18 Provisions

Provisions are recognised when:

- the company has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the company settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions shall not be recognised for future operating losses.

If the company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation. Contingent assets and contingent liabilities are not recognised.

1.19 Cash flow statement

The cash flow statement is prepared on the direct method.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

	2006			2005		
Figures in Rand	**Cost**	**Accumulated depreciation**	**Carrying Cost**	**Cost**	**Accumulated depreciation**	**Carrying value**
Auxiliary power unit	219 559	(108 865)	110 694	219 559	(86 907)	132 652
Computer equipment	4 643 829	(2 892 981)	1 750 848	3 793 265	(1 587 593)	2 205 672
Furniture and fittings	1 402 326	(270 980)	1 131 346	1 289 308	(224 474)	1 064 834
Leasehold improvement	4 404 367	(2 650 513)	1 753 854	4 404 367	(1 519 177)	2 885 190
Leasehold property improvements	518 239	(8 832)	509 407	–	–	–
Motor vehicles	1 751 092	(512 449)	1 238 641	1 263 391	(264 067)	999 324
Office equipment	1 130 264	(552 879)	577 387	998 547	(232 126)	766 421
Plant and machinery	1 529 793	(918 200)	611 593	1 080 241	(738 802)	341 439
Ramp equipment	200 000	(58 333)	141 667	200 000	(38 333)	161 667
	15 799 469	(7 974 032)	7 825 437	13 248 678	(4 691 479)	8 557 199

	2004		
Figures in Rand	**Cost**	**Accumulated depreciation**	**Carrying value**
Auxiliary power unit	219 559	(41 167)	178 392
Computer equipment	1 908 281	(662 354)	1 245 927
Furniture and fittings	994 833	(130 115)	864 718
Leasehold improvement	3 141 563	(543 318)	2 598 245
Leasehold property	–		
Motor vehicles	577 182	(126 420)	450 762
Office equipment	571 425	(87 863)	483 562
Plant and machinery	872 091	(573 762)	298 329
Ramp equipment	200 000	(18 333)	181 667
	8 484 933	(2 183 332)	6 301 601

Reconciliation of property, plant and equipment – 2006

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Total
Auxiliary power unit	132 652	–	–	(21 958)	110 694
Computer equipment	2 205 672	872 217	(3 558)	(1 323 483)	1 750 848
Furniture and fittings	1 064 835	235 604	–	(169 092)	1 131 347
Leasehold improvement	2 885 190	–	–	(1 131 336)	1 753 854
Leasehold property	–	518 239	–	(8 832)	509 407
Motor vehicles	999 324	556 101	(32 608)	(284 176)	1 238 641
Office equipment	766 421	9 130	–	(198 164)	577 387
Plant and machinery	341 439	449 552	–	(179 398)	611 593
Ramp equipment	161 667	–	–	(20 000)	141 667
	8 557 199	2 640 843	(36 166)	(3 336 439)	7 825 437

Reconciliation of property, plant and equipment – 2005

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Total
Auxiliary power unit	178 392	–	–	(45 740)	132 652
Computer equipment	1 245 927	1 892 383	–	(932 638)	2 205 672
Furniture and fittings	864 718	294 476	–	(94 359)	1 064 835
Leasehold improvement	2 598 245	1 262 804	–	(975 859)	2 885 190
Motor vehicles	450 762	696 210	(1 043)	(146 605)	999 324
Office equipment	483 562	427 122	–	(144 263)	766 421
Plant and machinery	298 329	208 150	–	(165 040)	341 439
Ramp equipment	181 667	–	–	(20 000)	161 667
	6 301 601	4 781 145	(1 043)	(2 524 504)	8 557 199

Reconciliation of property, plant and equipment – 2004

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Total
Auxiliary power unit	219 559	–	–	(41 167)	178 392
Computer equipment	406 163	1 493 362	–	(653 599)	1 245 926
Furniture and fittings	180 339	814 178	–	(129 799)	864 718
Leasehold improvement	–	3 141 563	(543 318)	2 598 245	
Motor vehicles	336 480	240 702	–	(126 420)	450 762
Office equipment	306 722	263 453	–	(86 613)	483 562
Plant and machinery	872 091	–	–	(573 762)	298 329
Ramp equipment	–	200 000	–	(18 333)	181 667
	2 321 354	6 153 257	–	(2 173 011)	6 301 600

3. AIRCRAFT

Figures in Rand	December 2006 Cost	Fair value adjustment	Carrying value	December 2005 Cost	Fair value adjustment	Carrying value
Aircraft	82 062 189	2 710 128	84 772 317	35 557 221	7 067 347	42 624 568

Figures in Rand	December 2004 Cost	Fair value adjustment	Carrying value
Aircraft	14 429 765	–	14 429 765

Reconciliation of aircraft – 2006

Figures in Rand	Opening balance	Fair value adjustment	Additions	Disposals	Depreciation	Total
Aircraft	42 624 568	2 710 128	43 439 634	(3 971 013)	(31 000)	84 772 317

During the year Egoli Air (Pty) Limited was bought, which included four DC 9 aircraft and a JT8D engine.

Reconciliation of aircraft – 2005

Figures in Rand	Opening balance	Fair value adjustment	Additions	Disposals	Depreciation	Total
Aircraft	14 429 765	7 067 347	21 127 456	–	–	42 624 568

Reconciliation of aircraft – 2004

Figures in Rand	Opening balance	Fair value adjustment	Additions	Disposals	Depreciation	Total
Aircraft	–	–	14 429 765	–	–	14 429 765

4. INVESTMENT PROPERTY

Figures in Rand	Fair value 2006	Fair value 2005	Fair value 2004
Land	985 800	895 000	–

Carrying value of assets pledged as security is R985 000 million (refer Note 13).

The land consists of Erf 1017 Clarens (extension 11).

Cost price	895 000	895 000	–
Capitalised expenses	90 800	–	–
	985 800	**895 000**	**–**

5. INVESTMENTS

	Holding 2006 %	Holding 2005 and 2004 %	Fair value 2006 Rand	Fair value 2005 Rand	Fair value 2004 Rand
Vigne d'Or Properties (Proprietary) Limited	10	–	1 250 000	–	–

6. GOODWILL

	December 2006			December 2005		
Figures in Rand	**Cost**	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Goodwill	2 100 141	–	2 100 141	259 228	–	259 228

	December 2004		
Figures in Rand	**Cost**	**Accumulated amortisation**	**Carrying value**
Goodwill	259 228	–	259 228

The cash generating unit relating to goodwill is the business of Aeronexus Technical (Pty) Limited and 1time Airline (Pty) Limited.

The recoverable amount identified above has been determined on the basis of value-in-use calculations. The value in use calculations use the cash flow projection method based on 2004, 2005, 2006, 2007 and 2008 cash flow projections, approved by management, discounted back at the weighted average cost of capital of 13.12%. The net asset value was then deducted from this value to give you the value in use. Key assumptions used in the value-in-use calculations include budgeted revenue streams. Such assumptions are based on historical results and adjusted for anticipated future growth.

Based on these assumptions calculation of recoverable amount was greater than the carrying value.

Figures in Rand	2006	2005	2004

7. TRADE AND OTHER RECEIVABLES

Trade receivables	9 927 344	6 651 353	5 520 477
Pre-payments	7 207 999	1 883 107	959 792
Sundry debtors	6 880 941	6 531	15 682 255
Implicit interest adjustments	(224 836)	(181 339)	(20 759)
	23 791 448	**8 359 651**	**22 141 765**

8. INVENTORY

Aircraft spares	11 809 445	6 005 645	5 626 469

9. CASH AND CASH EQUIVALENTS

Cash on hand	340 709	148 145	–
Bank balances	33 247 531	20 136 908	13 317 647
	33 588 240	**20 285 053**	**13 317 647**
Bank overdraft	(1 270 086)	(500 029)	(725 538)
	32 318 154	**19 785 024**	**12 592 109**

The banking facilities of the company are secured by a restricted surety of R1 230 000 by R L James, G W Harrison and S J Peterson and unrestricted cession of the trade debtors.

10. SHARE CAPITAL

Authorised			
1 000 ordinary shares at R1.00 each	–	1 000	1 000
100 000 ordinary shares at R1.00 each	100 000		
Issued			
11 983 ordinary shares at R1.00 each	11 983	100	100
Share premium	18 729 117	–	–
	18 741 100	**100**	**100**

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last general meeting. This authority remains in force until the next general meeting.

11. SHAREHOLDERS' LOANS

1time Holdings (Proprietary) Limited	1 000 000	1 403 000	1 403 000
Mogwele Investments (Proprietary) Limited	600 000	650 000	650 000
MKJH Trust	1 700 000	1 947 000	1 947 000
	3 300 000	**4 000 000**	**4 000 000**

The loan is unsecured, interest free, with no fixed repayment terms. This is a result of the loans being subordinated to RMB Asset Finance Company for the period of five years until such time the finance agreement has been settled in total.

Figures in Rand	2006	2005	2004

12. NON-DISTRIBUTABLE RESERVES

	2006	2005	2004
Balance at beginning of year	3 533 675	–	–
Allocation to minority shareholders' interests	(999 198)	(3 533 672)	–
Surplus arising from revaluation of aircraft	2 710 128	7 067 347	–
	5 244 605	**3 533 675**	**–**

Fair value reserves comprise all fair value adjustments that are recognised directly in equity and/or transfers from retained earnings. When an asset or liability is derecognised and fair value relating to that asset or liability is transferred to profit.

13. LONG-TERM LIABILITIES

	2006	2005	2004
Instalment sales obligation			
Minimum instalment payments due:			
– within one year	11 559 132	5 386 774	1 726 545
– in second to fifth year inclusive	24 233 064	18 102 271	12 991 935
	35 792 196	23 489 045	14 718 480
Less: Future finance charges	(4 179 766)	(6 227 610)	(2 874 020)
Present value of minimum instalment payments	31 612 430	17 261 435	11 844 460
Present value of minimum instalment payments due:			
– within one year	10 723 179	4 141 248	1 151 741
– in second to fifth year inclusive	20 889 251	13 120 187	10 692 719
	31 612 430	17 261 435	11 844 460
Non-current liabilities	20 889 251	13 120 187	10 692 719
Current liabilities	10 723 179	4 141 248	1 151 741
	31 612 430	17 261 435	11 844 460

The average term was five years and the average effective borrowing rate was 11% (2005:12%; 2004:12%).

Interest rates are fixed at the contract date. All instalment agreements have fixed repayments and no arrangements have been entered into for contingent rent.

	2006	2005	2004
Morchester International Limited	3 282 151	2 695 746	2 705 385
The loan is unsecured, interest bearing at the LIBOR rate plus 2% and is repayable on 1 January 2008 in one instalment.			
	24 171 402	**15 815 933**	**13 398 104**

Figures in Rand	2006	2005	2004

14. DEFERRED TAX

Deferred tax asset/(liability)	**(6 785 514)**	**3 195 661**	**865 786**
Reconciliation of deferred tax asset/(liability):			
At beginning of year	3 195 661	865 786	–
Permanent differences	(336 579)	53 436	481 812
Temporary differences	(9 644 596)	2 276 439	383 974
	(6 785 514)	**3 195 661**	**865 786**

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences;
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

15. AIRCRAFT MAINTENANCE RESERVES

Opening balance	6 910 591	7 455 527	–
Raised during year	11 325 059	9 548 597	12 742 593
Used during year	(10 093 864)	(10 093 533)	(5 287 066)
	8 141 786	**6 910 591**	**7 455 527**

16. TRADE AND OTHER PAYABLES

Trade payables	47 736 141	29 126 190	11 908 187
Accruals	12 644 638	9 080 123	7 965 113
Implicit interest adjustments	(915 514)	(314 562)	(131 339)
	59 465 265	**37 891 750**	**19 741 961**

17. SHORT-TERM PORTION OF LONG-TERM LIABILITIES

King Air Services (Proprietary) Limited	2 000 000	–	–
The loan is unsecured, interest free with fixed repayments of R200 000 per month over 24 months.			
Short-term portions of instalment sale liabilities	10 723 179	4 141 248	1 151 741
	12 723 179	**4 141 248**	**1 151 741**

18. UNUSED TICKET LIABILITY

Unused Ticket Liability	17 880 968	21 508 512	10 656 832

Unused Ticket Liability represents tickets sold not yet flown. Revenue on these sales is not recognised until such time that the service is rendered.

Figures in Rand	2006	2005	2004
19. TAX PAID			
Current			
STC	250 000	–	–
Local income tax current period	614 863	775 017	(240 947)
Deferred			
Originating from temporary differences	6 012 375	(2 329 875)	–
	6 877 238	**(1 554 858)**	**(240 947)**
20. CASH GENERATED FROM OPERATIONS			
Net profit/(loss) before taxation	27 450 107	(14 571 026)	
Adjustments for:			
Depreciation	3 352 187	2 524 504	
Profit on sale of assets	(2 202 845)	(1 145 580)	
Exchange rate differences	396 827	408 030	
Investment Income	(2 641 303)	(2 265 750)	
Finance costs	5 271 576	2 445 378	
Movements in working capital			
(Increase)/Decrease in accounts receivable	(15 431 796)	13 782 114	
Increase in accounts payable	21 573 516	17 824 344	
(Increase) in inventories	(5 803 801)	(379 176)	
Increase/(Decrease) in Unused Ticket Liability	(3 627 545)	10 851 679	
	28 336 923	**29 474 517**	
21. TAX (PAID) REFUNDED			
Balance at beginning of year	(487 564)	(354 250)	(113 303)
Current tax for year recognised in income statement	(565 625)	(775 017)	(240 947)
STC paid for year	(250 000)	–	–
Balance at end of year	559 736	641 703	–
	(743 453)	**(487 564)**	**(354 250)**
22. OPERATING PROFIT			
After taking the following into account:			
Finance costs	5 271 576	2 445 378	1 105 141
Depreciation	3 352 187	2 524 504	1 513 595
Audit remuneration	91 535	184 594	92 325
Profit on sale of assets	(2 202 845)	(1 145 580)	(149 828)
Implicit interest adjustments on cost of sales	(2 227 513)	(958 655)	(404 208)
Employee costs	67 552 774	50 957 008	30 675 917

23. DIRECTORS' EMOLUMENTS

Figures in Rand	Basic	Com-mission	Travel allowance	Bonus	Director fees	Total
Executive Directors – 2006						
For management services as directors						
G Orsmond	705 870	–	120 000	50 000	–	875 870
M Kaminski	705 870	–	120 000	50 000	–	875 870
R L James	705 870	–	120 000	50 000	–	875 870
G W Harrison	705 870	–	120 000	50 000	–	875 870
S Petersen	705 870		120 000	50 000	71 400	947 270
Non-executive Directors – 2006						
For services as directors						
S M Twala	–	–	–	–	110 175	110 175
B Topham	–	–	–	–	80 850	80 850
S Shalem	–	–	–	–	34 200	34 200
	3 529 350	**–**	**600 000**	**250 000**	**296 625**	**4 675 975**
Executive Directors – 2005						
For management services as directors						
G W Orsmond	695 280	–	96 000	–	–	791 280
R L James	679 280	–	112 000	–	–	791 280
G W Harrison	679 280	–	112 000	–	–	791 280
S Petersen	679 280	–	112 000	–	45 000	836 280
M Kaminski	74 820	–	20 000	–	45 000	139 820
Non-executive Directors – 2005						
For services as directors						
S M Twala	–	–	–	–	57 000	57 000
Z L Nomvete	–	–	–	–	22 500	22 500
B Topham	–	–	–	–	45 000	45 000
	2 807 940	**–**	**452 000**	**–**	**214 500**	**3 474 440**
Executive Directors – 2004						
For management services as directors						
G W Orsmond	649 000	–	44 000	–	–	693 000
R L James	605 000	–	88 000	–	–	693 000
G W Harrison	605 000	–	88 000	–	–	693 000
S Petersen	605 000	–	88 000	–	18 000	711 000
M Kaminski	–	–	–	–	27 000	27 000
Non-executive Directors – 2004						
For services as directors						
S M Twala	–	–	–	–	30 000	30 000
Z L Nomvete	–	–	–	–	42 000	42 000
B Topham	–	–	–	–	27 000	27 000
	2 464 000	**–**	**308 000**	**–**	**144 000**	**2 916 000**

Figures in Rand	2006	2005	2004

24. REVENUE

Initial revenue	493 460 183	371 919 974	182 543 466
Implicit interest adjustments	(2 069 733)	(1 634 416)	(430 539)
	491 390 450	**370 285 558**	**182 112 927**

25. INVESTMENT INCOME

Initial investment income	659 818	710 637	640 084
Implicit interest adjustments	1 981 485	1 555 113	465 563
	2 641 303	**2 265 750**	**1 105 647**

26. FINANCE COSTS

Initial finance costs	3 822 991	1 699 248	776 488
Implicit interest adjustments	1 448 585	746 129	328 653
	5 271 576	**2 445 378**	**1 105 141**

27. EARNINGS PER SHARE

The calculation of earnings per share is based on profits of R20 572 869 (2005: –; 2004: R1 245 942) and 230 (2005:100; 2004:100) weighted average ordinary shares in issue during year.

Earnings from continuing operations attributable to the ordinary equity holders

Profit for year	20 572 869	(13 016 167)	1 245 941

Reconciliation of the weighted average number of ordinary shares:

Balance at beginning of year	100	100	100
11 883 issued – 27 December 2006	130	–	–
	230	100	100
Earnings per ordinary share (cents)	**8 935 997**	**–**	**1 245 941**

28. HEADLINE EARNINGS PER SHARE

The calculation of headline earnings per share is based on profits of R15 325 545 (2005: –; 2004: R6 183 838) and 230 (2005:100; 2004:100) weighted average ordinary shares in issue during year.

Reconciliation between earnings and headline earnings:

Profit for year	20 572 869	(13 016 167)	1 245 941
Loss on disposal of non-current assets	(2 202 845)	(1 145 580)	(149 828)
Plus set-up costs	–	–	5 087 724
Discount on purchase	(3 044 479)	(565 877)	–
	15 325 545	**(14 727 624)**	**6 183 837**
Headline earnings per share (cents)	**6 663 280**	**–**	**6 183 837**

Figures in Rand	2006	2005	2004

29. OPERATING LEASE COMMITMENTS

– Within one year	11 150 000	7 122 000	9 000 000
– In second to fifth year inclusive	12 000 000	10 000 000	2 250 000
	23 150 000	**17 122 000**	**11 250 000**

30. SEGMENTAL REPORT

	1time airline and holding company			1time Charters			Aeronexus Technical			Eliminations			Consolidated		
Rand	**2006**	**2005**	**2004**	**2006**	**2005**	**2004**	**2006**	**2005**	**2004**	**2006**	**2005**	**2004**	**2006**	**2005**	**2004**
Revenue															
External revenue	467 384 403	339 409 198	158 051 819	10 489 819	27 626 392	11 738 529	13 516 228	3 249 968	12 322 579	–	–	–	491 390 450	370 285 558	182 112 927
Inter segment revenue	307 540	886 556	–	11 626 846	892 623	22 932 729	52 353 495	50 960 642	24 641 662	(64 287 881)	(52 739 821)	(47 574 391)	–	–	–
Total revenue	**467 691 943**	**340 295 754**	**158 051 819**	**22 116 665**	**28 519 015**	**34 671 258**	**65 869 723**	**54 210 610**	**36 964 241**	**(64 287 881)**	**(52 739 821)**	**(47 574 391)**	**491 390 450**	**370 285 558**	**182 112 927**
Result															
Segment result	**26 118 975**	**(16 318 465)**	**322 663**	**4 176 381**	**291 185**	**46 125**	**1 703 564**	**1 896 211**	**466 089**	**(6 769 037)**	**(1 563 756)**	**4 284 989**	**25 229 883**	**(15 694 825)**	**5 119 866**
Operating profit													25 229 883	(15 694 825)	5 119 866
Interest expense													(5 271 576)	(2 445 378)	(1 105 141)
Interest received													2 641 303	2 265 750	1 105 647
Income taxes													(6 877 238)	1 554 858	240 947
Discount on purchase													3 044 479	565 878	–
Profit on disposal of fixed assets													2 202 845	1 145 580	149 828
Profit/(Loss) on foreign exchange difference													(396 827)	(408 030)	822 519
Set-up costs															(5 087 725)
Profit													**20 572 869**	**(13 016 167)**	**1 245 941**
Other information															
Segment assets	138 102 039	88 501 899	53 584 922	40 789 329	3 558 978	3 305 113	28 897 586	18 853 756	6 044 409	(41 666 126)	(20 732 629)	7 817	166 122 828	90 182 004	62 942 261
Segment liabilities	80 965 425	77 023 864	38 271 701	30 945 557	3 210 123	3 032 657	27 302 738	16 022 294	5 438 937	(8 215 784)	(8 846 515)	6 712 031	130 997 936	87 409 766	53 455 326
Capital expenditure	12 082 730	24 865 569	21 299 254	30 583 540	24 620	–	3 414 207	1 018 412	328 679				46 080 477	25 908 601	21 627 933
Depreciation	2 658 527	2 039 035	1 756 116	35 544	14 761	15 501	658 116	470 708	401 394				3 352 187	2 524 504	2 173 011

31. RELATED PARTIES

Relationships

Aeronexus Corporate (Proprietary) Limited
Aeronexus Technical (Proprietary) Limited
Egoli Air (Proprietary) Limited
1time Airline (Proprietary) Limited

32. RISK MANAGEMENT

Credit risk

Credit risk consists mainly of cash deposits cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. Credit guarantee insurance is purchased when deemed appropriate.

Interest rate risk

Deposit and all attract interest at rate that vary with prime. The company policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit or loss.

Foreign exchange and crude oil risk

The company has not hedged foreign exchange and jet fuel fluctuations in the year under review, However the company reviews its foreign currency and jet fuel exposure, including commitments on an ongoing basis. The company will hedge against foreign exchange and jet fuel fluctuations when management deems it appropriate.

33. COMPARATIVES

Certain comparative figures have been restated in order to comply with first adoption of IFRS.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF 1TIME

"The Directors
1time Holdings Limited
PO Box 7110
Bonaero Park
1622

25 June 2007

Gentlemen,

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF 1TIME HOLDINGS LIMITED

Introduction

The definitions commencing on page 11 of the prospectus have been used in this report. 1time proposes to list on the JSE.

Purpose of this report

At your request, we present our report on the historical financial information of 1time, for the purposes of complying with the Listings Requirements and for inclusion in the prospectus, dated on or about 2 August 2007.

Responsibility

The directors of 1time are responsible for the compilation, contents and preparation of the prospectus and for the accuracy of the information contained therein. The directors of 1time are also responsible for the financial information to which both this reporting accountants' report and the report of historical financial information on 1time relate and from which such reports have been prepared.

Our responsibility is to express an opinion on the report of historical financial information on 1time.

Historical financial information for the periods ended 31 December 2006, 31 December 2005 and 31 December 2004

We have audited the historical financial information of 1time relating to the periods ended 31 December 2006, 31 December 2005 and 31 December 2004, set out in the report of historical financial information attached as Annexure 2.

Scope of the audit

We conducted our audit in accordance with the International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance that the historical financial information relating to the periods ended 31 December 2006, 31 December 2005 and 31 December 2004 is free from material misstatement.

Our audit included the following:

- examining, on a test basis, evidence supporting the amounts and disclosures of the abovementioned historical financial information. The evidence included that previously obtained by us relating to the audit of the annual financial statements underlying the historical financial information;

- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall historical financial information presentation.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion, the historical financial information of 1time relating to the periods ended 31 December 2006, 31 December 2005 and 31 December 2004, for the purposes of the prospectus, give a true and fair view, in all material respects, of the financial position of 1time at 31 December 2006 and the results of its operations and cash flows for the period then ended in accordance with IFRS and in the manner required by the Act and the Listings Requirements.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the prospectus to be issued by 1time in the form and context in which it appears.

Yours faithfully

NEXIA HBLT CHARTERED ACCOUNTANTS (EAST RAND) INC.
Benoni
Chartered Accountants (SA)
Registered Auditors

PO Box 663
Benoni
1500

Per **Lorna Terblanche**
Director"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE PROFIT FORECAST OF 1TIME

"The Directors
1time Holdings Limited
PO Box 7110
Bonaero Park
1622

25 June 2007

Gentlemen,

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE FORECAST OF THE 1TIME HOLDINGS LIMITED ("1TIME")

We have examined the accompanying consolidated forecast of 1time for the years ending 31 December 2007 and 31 December 2008 set out in the prospectus.

Directors' responsibility

The directors are responsible for the forecast, including the assumptions set out in paragraph 11.2, on which it is based, and for the financial information from which it has been prepared. This responsibility, arising from compliance with the Listings Requirements of the JSE Limited, includes: determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast; whether the forecast has been properly compiled on the basis stated and whether the forecast is presented on a basis consistent with the accounting policies of the company or group in question.

Auditors' responsibility

Our responsibility is to provide a limited assurance report on the forecast prepared for the purpose of complying with the Listings Requirements of the JSE Limited and for inclusion in the prospectus. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements applicable to the Examination of Prospective Financial Information. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the forecast is based are not unreasonable and are consistent with the purpose of the information;
- the forecast is properly prepared on the basis of the assumptions;
- the forecast is properly presented and all material assumptions are adequately disclosed;
- the forecast is prepared and presented on a basis consistent with the accounting policies of the company or group in question for the period concerned.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

(i) the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast;

(ii) the forecast has not been properly compiled on the basis stated;

(iii) the forecast has not been properly presented and all material assumptions are not adequately disclosed; the forecast, is not presented on a basis consistent with the accounting policies of the company or group in question.

Actual results are likely to be different from the forecast, since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the forecast.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the prospectus to be issued by 1time in the form and context in which it appears.

Yours faithfully

NEXIA HBLT
Benoni
Chartered Accountants (SA)
Registered Auditors

PO Box 663
Benoni
1500

Per **Lorna Terblanche**
Director"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* INCOME STATEMENT AND BALANCE SHEET

"The Directors
1time Holdings Limited
PO Box 7110
Bonaero Park
1622

25 June 2007

Gentlemen,

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF 1TIME HOLDINGS LIMITED ("1TIME")

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in paragraph 11.3 of the prospectus issued in connection with the private placement of 60 000 000 ordinary shares in 1time ("the private placement") that is the subject of the prospectus.

The *pro forma* financial information has been prepared in accordance with the JSE Limited Listings Requirements, for illustrative purposes only, to provide information about how the private placement might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

Directors' responsibility

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the prospectus and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* information financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of 1time and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Limited Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the prospectus of 1time. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by The South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of 1time, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of the company in respect of the corporate actions that are the subject of the prospectus.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of 1time and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with *International Standards on Auditing or International Standards on Review Engagements* and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that, in terms of Sections 8.17 and 8.30 of the JSE Limited Listings Requirements:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of the issuer;
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the prospectus to be issued by 1time in the form and context in which it appears.

Yours faithfully

NEXIA HBLT
Benoni
Chartered Accountants (SA)
Registered Auditors

PO Box 663
Benoni
1500

Per **Lorna Terblanche**
Director”

CORPORATE GOVERNANCE

1time is committed to the principles of openness, integrity and accountability and adheres to the code of Corporate Practices and Conduct as advocated in the King Code on Corporate Governance. A summary of the current compliance is as follows:

1. BOARD OF DIRECTORS

The board of directors sets the company's overall policy and provides guidance and input in areas relating to strategic direction, planning, acquisitions, performance measurement, resource allocation, key appointments, standards of conduct and communication with shareholders. The policy also addresses clear division of responsibility at board level to ensure a balance of power and authority.

The board comprises two independent non-executive directors and six executive directors. The non-executive directors are fully independent of management and free to make their own decisions and independent judgements. They enjoy no benefits from the company for their services as directors, other than their fees and potential capital gains and dividends on their interests in ordinary shares.

The six executive directors have fixed terms of appointment which do not exceed five years in duration. The appointment of the non-executive directors are subject by rotation, to retirement and re-election by shareholders at least every three years, in accordance with 1time's articles of association. A brief *curriculum vitae* of each director standing for election or re-election at the annual general meeting will be included in the notice of the annual general meeting.

The board retains full and effective control over the company. The board intends to meet at least four times a year with additional meetings called, if necessary or desirable. Information relevant to a meeting will be supplied on a timely basis to the board ensuring directors can make informed decisions. The board is also responsible for monitoring the activities of the executive management.

The company's corporate philosophy is consistent with the principles of the King Report II on Corporate Governance, in that, *inter alia*:

- The roles of the Chairperson and the Chief Executive Officer have been separated.
- At this stage, the company does not have a formal Nomination or Risk Committee. Future appointments to the board will, however, be formal and a transparent matter for the board as a whole.
- New appointments to the board are submitted to the board for approval prior to appointment. All appointments are formal and transparent and a matter for the board as a whole.

2. REMUNERATION COMMITTEE

The company currently does not have a Remuneration Committee, as this is not an ALT^{X} requirement.

3. AUDIT COMMITTEE

The Audit Committee will be chaired by a non-executive director, and the company's Designated Adviser will be a member thereof. It will be attended by the Financial Director and will be formed for the purposes of monitoring and reviewing:

- the effectiveness of the company's information systems and other systems of internal control;
- the effectiveness of the internal audit function;
- the reports of both the external and internal auditors;
- the annual report and specifically the annual financial statements included therein;
- the accounting policies of the company and any proposed revisions thereto;
- the external audit findings, reports and fees and the approval thereof;

- ensuring that non-audit services will not be obtained from the external auditors where the provisions of such services could impair audit independence;
- compliance with applicable legislation and requirements of regulatory authorities.

The external auditors will have unrestricted access to the Audit Committee and its chairman with a view to ensuring that their independence is not impaired.

4. CODE OF ETHICS

The company adheres to a Code of Ethics. The company observes a closed period from one month before the reporting period until the announcement of interim and year-end results, during which period neither directors nor employees may deal, directly or indirectly, in the ordinary shares of the company.

5. COMMUNICATION

The company has a policy of open and transparent communication with its ordinary shareholders and other stakeholders and will meet regularly with institutional shareholders, investment analysts and other stakeholders.

PRINTED BY INCE (PTY) LTD

REF. W2CF03559

1time Holdings Limited

(formerly 1time Holdings (Proprietary) Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1999/017536/06)
(JSE code: 1TM ISIN: ZAE000102026)
("1time" or "the company")

PRIVATE PLACEMENT APPLICATION FORM

In respect of the private placement by way of subscription of 30 000 000 1time ordinary shares at an issue price of 100 cents per share and an offer for the sale of 30 000 000 ordinary shares by the existing shareholders at a sale price of 100 cents per share, registered in terms of the prospectus issued on 2 August 2007 ("the prospectus")

Please refer to the instructions overleaf before completing this private placement application form.

Certificated shares – Payment by bank guaranteed cheque or banker's draft

Applicants who elect to receive their allocated shares in certificated form and who wish to pay by way of **bank guaranteed cheque** or **banker's draft** must complete and return this private placement application form, together with their payment in the form of a bank guaranteed cheque or banker's draft (crossed "not transferable" with "or bearer" deleted and drawn in favour of **"1time Holdings Private Placement"**) in an envelope marked "**1time Holdings Private Placement**" to:

if delivered by hand or by courier:	*if posted:*
Designated Adviser	Designated Adviser
Exchange Sponsors (Pty) Limited	Exchange Sponsors (Pty) Limited
39 First Road	PO Box 411216
Hyde Park	Craighall
Johannesburg	2024
2196	

so as to be received by no later than 12:00 on Tuesday, 7 August 2007.

Certificated shares – payment by electronic transfer

Applicants who elect to receive their allocated shares in certificated form and who wish to pay by way of **electronic transfer** may do so, in which case the **private placement application**, **and proof of such payment by electronic transfer must be hand delivered, posted or faxed to the Designated Advisor (and not the transfer secretaries) to**:

if delivered by hand:	*if posted:*	*if faxed:*
Designated Adviser	Designated Adviser	Designated Adviser
Exchange Sponsors (Pty) Limited	Exchange Sponsors (Pty) Limited	(011) 447 1929
39 First Road	PO Box 411216	
Hyde Park	Craighall	
Johannesburg	2024	
2196		

so as to be received by no later than 12:00 on Tuesday, 7 August 2007.

Payment by electronic transfer must be made into the following bank account:

Bank:	Standard Bank
Branch:	Boksburg
Branch code:	011842
Account name:	1time Holdings Private Placement
Account number:	420405453
Account type:	Cheque

1time accepts no responsibility and will not be liable for the correctness of any allocation of private placement shares pursuant to payment being made or alleged to have been made by way of electronic transfer due to proof of such payment not being received or purported proof of such payment being insufficient or defective or 1time, for any reason, not being able to reconcile a payment or purported payment with a particular application for private placement shares.

Dematerialised shares – payment by electronic transfer or through Central Securities Depository Participant ("CSDP") or broker

Applicants who elect to receive their allocated shares in dematerialised form and who wish to pay by way of **electronic transfer** must do so, in which case the **private placement application and the section on their CSDP or broker must be completed and stamped or signed by the relevant CSDP or broker and proof of such payment by electronic transfer must be hand delivered, posted or faxed to**:

if delivered by hand:	*if posted:*	*if faxed:*
Designated Adviser	Designated Adviser	Designated Adviser
Exchange Sponsors (Pty) Limited	Exchange Sponsors (Pty) Limited	(011) 447 1929
39 First Road	PO Box 411216	
Hyde Park	Craighall	
2196	2024	

so as to be received by no later than 12:00 on Tuesday, 7 August 2007.

Payment by electronic transfer must be made into the following bank account:

Bank:	Standard Bank
Branch:	Boksburg
Branch code:	011842
Account name:	1time Holdings Private Placement
Account number:	420405453
Account type:	Cheque

1time accepts no responsibility and will not be liable for the correctness of any allocation of private placement shares pursuant to payment being made or alleged to have been made by way of electronic transfer due to proof of such payment not being received or purported proof of such payment being insufficient or defective or 1time, for any reason, not being able to reconcile a payment or purported payment with a particular application for private placement shares.

Applicants, who wish to receive their allocated shares in dematerialised form, can also complete and return this private placement application form to their duly appointed CSDP or broker by the time and date stipulated in the agreement governing their relationship with their CSDP or broker, together with the method of payment as stipulated in such agreement.

NO LATE APPLICATIONS WILL BE ACCEPTED.

Reservation of rights

The directors of 1time reserve the right to accept or refuse any application(s), either in whole of in part, or to *pro rate* any or all application(s) (whether or not received timeously) in such manner as they may, in their sole and absolute discretion, determine.

The directors of 1time reserve the right to accept or reject, either in whole or in part, any private placement applications should the terms contained in the prospectus of which this private placement application form forms part and the instructions herein not be complied with.

Applications must be for a minimum of 5 000 shares and multiples of 1 000 shares thereafter.

To the Directors

1time Holdings Limited

1. I/We, the undersigned, confirm that I/we have full legal capacity to contract and, having read the prospectus, hereby irrevocably apply for and request you to accept my/our application for the undermentioned number of shares in 1time at 100 cents per share or any lesser number that may, in your absolute discretion, be allotted to me/us, subject to the articles of association of 1time.
2. I/We wish to receive our allocated shares in dematerialised form and will hand this private placement application form to our appointed CSDP or broker. I/We accept that payment in respect of these applications will be, in terms of the custody agreement entered into between me/us and our CSDP or broker, on a delivery versus payment basis. (Delete if not applicable.)
3. I/We wish to receive our allocated shares in certificated form and commit to accept the physical share certificate. Accordingly I/We hereby enclose a crossed cheque/banker's draft in favour of "**1time Holdings Private Placement**" for the appropriate amount due in terms of this application. (Delete if not applicable.)
4. I/We understand that the subscription for or purchase of shares in terms of the prospectus is conditional on the granting of a listing of the shares of 1time by Tuesday, 14 August 2007 or such later date as the directors may determine, on the Alternative Exchange of the JSE Limited.

Dated 2007 Telephone number ( )

Signature

Assisted by (where applicable)

Surname of individual or **Name of entity**	Mr, Mrs, Ms, Other title
First names (in full)	
To be completed by all applicants **Postal address** (Preferably PO Box address) Refund cheque and/or share certificate, if applicable, will be sent to this address	
Telephone number	( )
Total number of ordinary shares applied for **Note:** Minimum number of 5 000 shares and thereafter in multiples of 1 000 shares	(Enter figures only – not words)
Total amount of cheque or **banker's draft** to cover ordinary shares applied for herein at 100 cents per share	R (Enter figures only – not words)

Section must be completed if shares required in dematerialised form. Required information must be obtained or completed by CSDP or broker

CSDP name	
CSDP contact person	
CSDP contact telephone number	
CSA or bank CSD account number	
Scrip account number	
Settlement bank account number	
CSDP signature or stamp	

This application will constitute a legal contract between 1time and the applicant. The issuer of the shares is 1time. Application forms for certificated or uncertificated shares will not be accepted unless the above information has been furnished.

Instructions:

1. Applications may be made on this private placement application form only. Copies or reproductions of this private placement application form will be accepted.
2. Applications are irrevocable and may not be withdrawn once submitted to the Designated Adviser, transfer secretaries, CSDP's or brokers.
3. All CSDP's and brokers will be required to retain the application form for presentation to the directors if required.
4. Please refer to the terms and conditions of the private placement set out in paragraph 9 of the prospectus. Applicants should consult their brokers, bankers or other professional advisers in case of doubt as to the correct completion of the private placement application form.
5. Applications must be for a minimum of 5 000 shares and thereafter in whole multiples of 1 000 shares.
6. Applicants who wish to receive their shares in uncertificated form and who do have a CSDP or broker must do so in terms of the custody agreement entered into between them and their CSDP or broker.
7. Applicants who wish to receive their shares in certificated form must submit only one private placement application form and one bank guaranteed cheque or banker's draft in respect of each application. Payment may also be by way of electronic transfer as set out above. To the extent that more than one application is submitted, the first private placement application form received will be the one in respect of which 1time shares will be allocated in terms of the prospectus and further application form(s) will be ignored. The application monies applicable thereto will be held by the transfer secretaries and returned (with interest) to the applicants concerned with all other returned cheques in terms of the prospectus at the applicants' risk. Postal orders, cash or telegraphic transfers will not be accepted.
8. No receipts will be issued for application forms, application monies or any supporting documentation and applications will only be regarded as complete when the relevant cheque/banker's draft has been paid. All monies will be deposited immediately for payment. If a receipt is required, shareholders or lodging agents are required to prepare special transaction receipts for application forms lodged.
9. If any cheque or banker's draft is dishonoured, the company may, in its sole discretion, regard the relevant application as invalid or take such other steps in regard thereto as it may deem fit.
10. All alterations on this private placement application form must be authenticated by full signature.
11. 1time will use the "certified transfer deeds" and other temporary "documents of title" procedure approved by the JSE Limited and therefore will issue only a "block" certificate for the shares allotted in terms of this application for the applicant who requests a share certificate.
12. Blocked Rand may be used by emigrants and non-residents of the common monetary area (comprising the Republics of South Africa and Namibia and the Kingdoms of Swaziland and Lesotho) for payment in terms of private placement application and reference should be made to paragraph 9.12 of the prospectus which deals with South African Exchange Control Regulations.