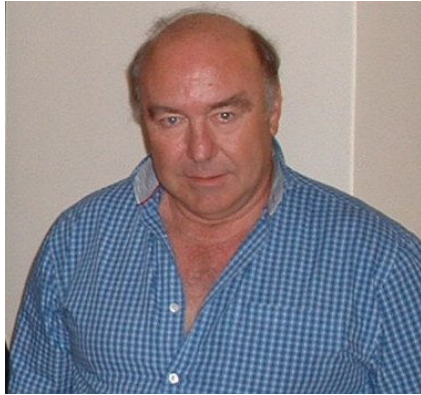


PRESIDENT'S REPORT



What does one say when you come to the end of a year filled with Xenophobia, Zimbabwe, Cholera and the embarrassment of our national drug-runner coupled with the legislation changes to the RAF and the effect this has on international tourism, reduced arrivals figures, the Confederation Cup turning into a non-event.

I think we will all agree that it has not been easy. Coupled to that, we now find ourselves being slowly dragged into the biggest financial crisis the modern world has ever seen. The knock-on effects of the global recession have not yet fully touched our shores and although we have had some pretty brave statements from politicians that we will not be affected by world events, I think it is slowly being proved wrong.

SATSA sent out warnings on numerous occasions during the latter half of last year and also forwarded some interesting financial advice/information made known to us courtesy of Martin Jansen van Vuuren of Grant Thornton. Nothing has changed. Our words of caution are still applicable and really the need to conserve cash has moved way beyond the top of the table.

We all realise that it is a strategic juggling act to cut costs and yet remain operationally efficient. However, I think one needs to now start to concentrate on survival. We realise many of our smaller members do not have the infrastructure to be able to monitor and plan and forecast six to twelve months ahead, and I urge those who find themselves in this situation to contact SATSA for advice and/or assistance while they are still operational.

It has come to our attention that a number of companies have taken out insurance, forwarded the necessary documentation to our offices and subsequently gone back and cancelled the cover. Members found using this practice will be terminated immediately and every SATSA member of good standing will be informed of the individual's behaviour immediately. Please remember that you have all signed an agreement to the Code of Conduct and non-compliance to that Code will automatically invalidate your membership.

On a more positive note, one needs to remember that when one door closes, another opens and now is the time for thinking not only out of the box, but from a totally different dimension. Competition that may have been annoying in the past, could well be our saviour today. It's now as never before the time to add value, ensure professionalism and provide the service we boast and charge for. With a bit of ingenuity and the combined ability of other SATSA members, there is a road forward. Possibly not in our core markets but by combining our abilities and resources, survival is possible.

There is a difference between reality and doom and gloom. We need to understand reality so that we can make the necessary decisions to overcome our immediate targets. Doom and gloom is a negative intangible that assists nobody.

I trust that your way forward will be one of positive thought, good business management and carefully taken decisions. I wish you all well for the upcoming year and please remember the power of the collective "SATSA" far exceeds the power of one.

Mike Speed
President

"SATSA means Business : Powering Up Tourism!"