

REX AGM 2011



rex
Regional Express

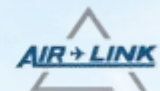
PEL-AIR

AIR LINK

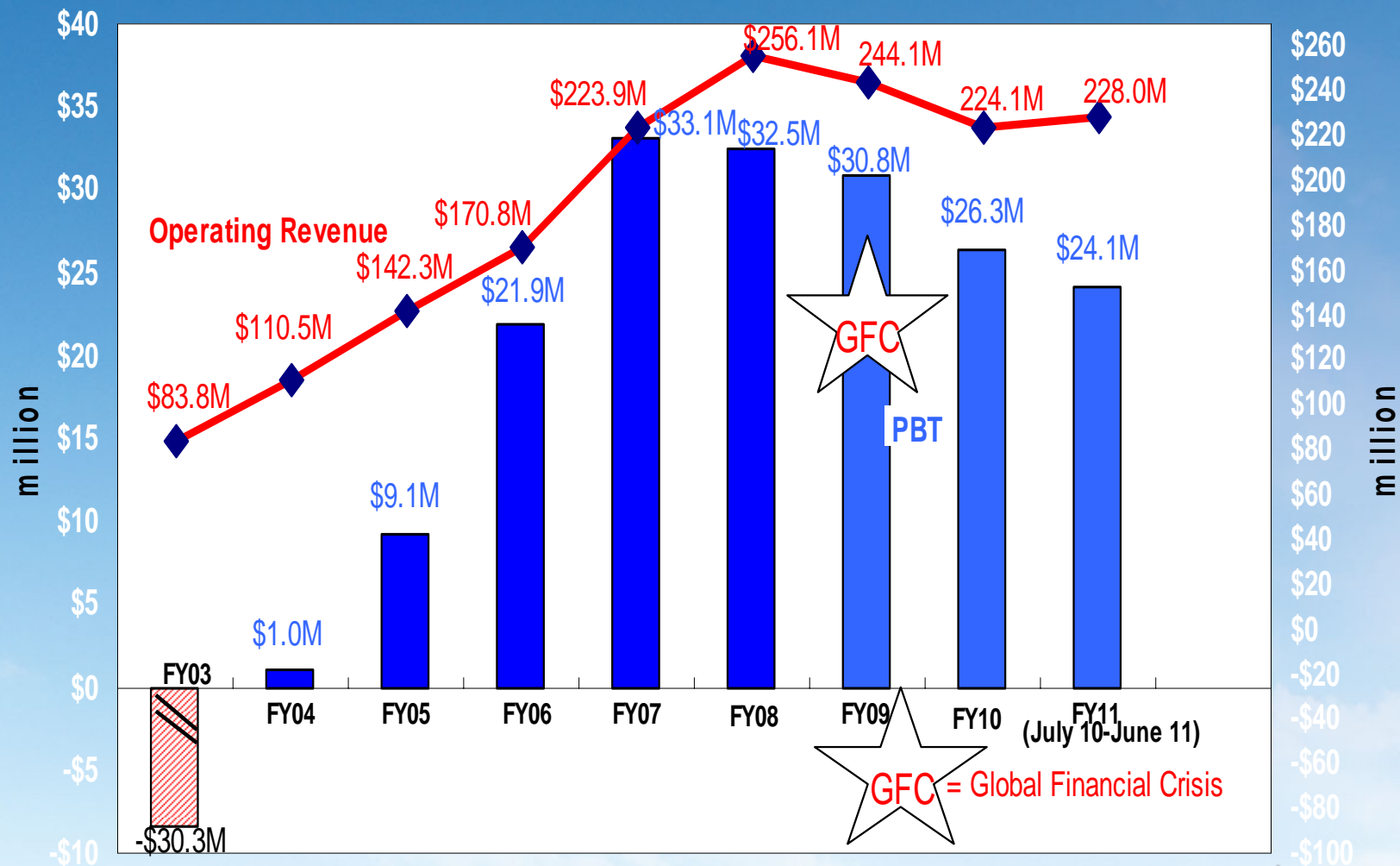
AAPA

PERFORMANCE

- ✈ Revenues increased by 4.8% to \$240.5m
- ✈ Pax decreased by 3.0% to 1.2m
- ✈ PBT declined by 8.2% to \$24.1m
- ✈ PAT declined by 28.5% to \$17.6m



REX GROUP FINANCIALS



PILOT SITUATION

- ✈️ Resignation rate of 12.2%
- ✈️ Below historical levels of 15%
- ✈️ Cadet programme provided 20 pilots
- ✈️ Surplus of 14 pilots at FY end

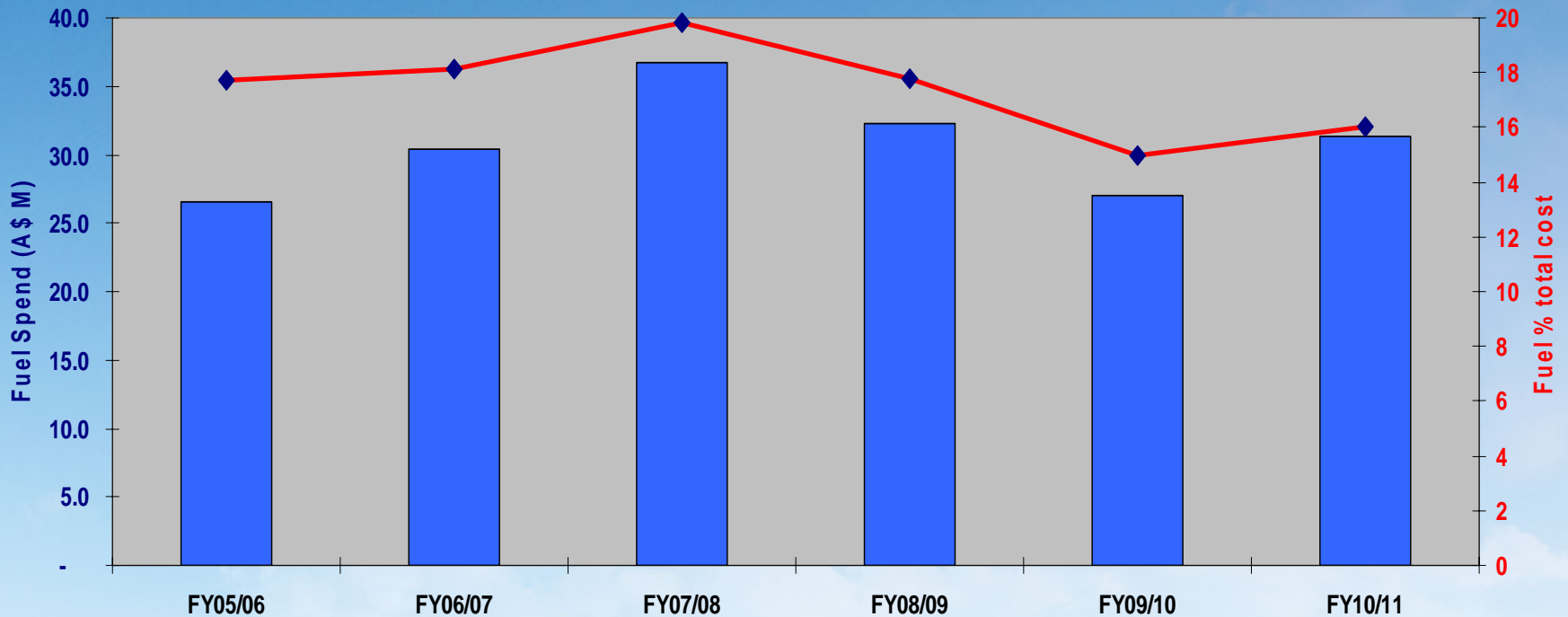
NETWORK CHANGES

- ✈ Capacity reduction Port Lincoln – ADL due to oversupply of total market capacity
- ✈ Capacity reduction Burnie – MEL and Mt Gambier - ADL due to increased airport charges
- ✈ Improved Merimbula and Moruya services from late Q3
- ✈ Improved GFF – MEL service from Q4

FUEL









\$4.3m higher fuel cost compared to previous FY

Fuel Spend FY0506 - FY1011



On Time Performance

AIRLINE OPERATIONAL REVIEW

Airline	On Time Departure				Cancellation Rate (%)			
	FY11	FY10	FY09	FY08	FY11	FY10	FY09	FY08
	1 st	3 rd	4 th	1 st	0.4%*	0.2%	0.8%	1.2%
	5 th	2 nd	1 st	2 nd	1.9%	0.7%	1.1%	1.2%
	3 rd	1 st	5 th	6 th	1.5%	0.8%	2.6%	2.3%
	6 th	6 th	7 th	7 th	1.4%	1.1%	0.9%	0.9%
	4 th	4 th	3 rd	3 rd	2.0%	1.6%	2.0%	1.9%
	2 nd	5 th	2 nd	4 th	0.3%	0.7%	1.4%	0.9%
	N/A	N/A	7 th	5 th	N/A	N/A	6.7%	5.2%
	7 th	7 th	6 th	N/A	3.0%	1.5%	0.4%	N/A

* Due to Ash cloud disruption in June 2011.
Otherwise 0.2% prior to June.



INDUSTRY RECOGNITION



Rex was recognised as the regional airline that had the most significant impact, shown strategic leadership and demonstrated innovation in regional aviation



Based on 19 financial ratios compiled over 10 years, Rex was identified as best positioned for recovery from the previous year's global recession and volatility in fuel prices



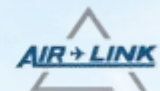
CAPITAL EXPENDITURE

Capex spend well below FY2010:

- ✈ Fit out of 4 Kingair aircraft for Ambulance Victoria contract
- ✈ Purchased 5 Saab 340B aircraft coming off lease
- ✈ Purchased 4 busses (Sydney airport bussing)
- ✈ Purchased van and trucks for Rex's new self catering operations (Caterex)
- ✈ Purchased warehouse for Caterex operations

FLEET

- ✈ Purchased 5 Saab 340B aircraft coming off lease
- ✈ Sold 8 Metro 3 aircraft
- ✈ Parted 1 Westwind aircraft for spares



OUR SUBSIDIARIES

Pel-Air

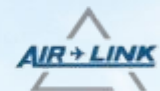
- ✈ Defence support operated steadily
- ✈ Freight operations for Australian Air Express operated steadily
- ✈ Increase in contracted and ad-hoc Fly-in / Fly-out activity
- ✈ Preparation for commencement of the Air Ambulance Victoria contract in July 2011



OUR SUBSIDIARIES

Air Link

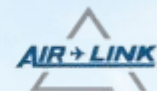
✈ Continued developing charter service and growing 3rd party aircraft maintenance business



OUR SUBSIDIARIES

AAPA

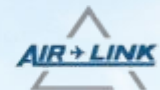
- 18 cadets graduated in the year
- Further 38 were under training
- 10 cadet course intakes since AAPA commencement (Dec 2007)



TENDER UPDATE

Tenders Won

- ✈️ Fly in/Fly out contract with Ivanhoe for Mount Dore and Osborne mines
- ✈️ Revised agreement with AAE for standby Saab freighter

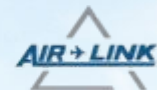


TENDER UPDATE

Tenders Pending

- ✈ Air Defence Target System (JP66)
- ✈ Extension of the Fast Jet Contract for 3 years*

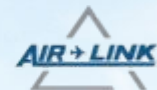
* Pel-Air won this contract in Sep 2011



REX IN THE COMMUNITY



Griffith Garden Festival 2010



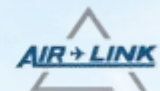
REX IN THE COMMUNITY

Rex donated approx A\$ 700,000 to various relief and charitable causes in FY1011:

- ✈ NSW flood relief
- ✈ Queensland flood relief
- ✈ Red Cross Victorian flood Appeal 2011
- ✈ Country Hope
- ✈ Cancer council's fundraisers
- ✈ Julia Creek Dirt and Dust festival

DIVIDEND

- ✈️ Final dividend: 7.1 cents per share, fully franked
- ✈️ Dividend yield: 8.6% based on closing share price



THANK YOU

