



THE *reX*.STORY

The First 10 Years

FY12 FINANCIAL RESULTS

AGENDA

- ✈ FINANCIAL HIGHLIGHTS
- ✈ KEY PERFORMANCE INDICATORS
- ✈ OPERATIONAL REVIEW
- ✈ OUTLOOK & PROFIT FORECAST
- ✈ DIVIDEND

ANNOUNCEMENT 11/12 Full Yr Results

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FINANCIAL HIGHLIGHTS

GROUP INCOME STATEMENT REVIEW

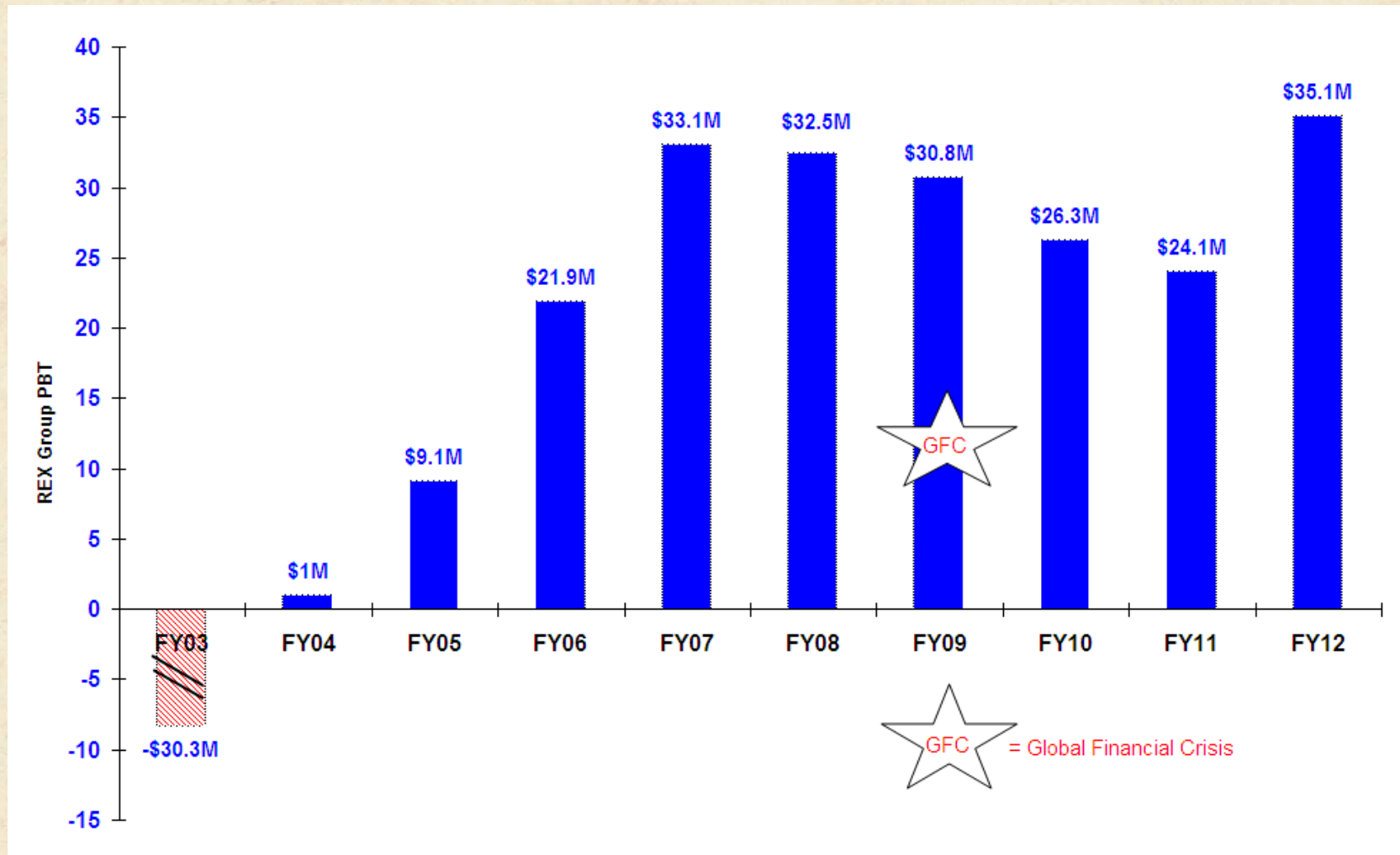
	FY12 \$M	FY11 \$M	Change
Passenger Revenue	214.8	201.3	+6.7%
Total Revenue	273.1	238.5	+14.5%
Fuel Cost	38.6	33.7	+14.4%
Other Costs & Expenses	202.3	182.7	+10.7%
Profit Before Tax	35.1	24.1	+45.6%
Profit After Tax	25.5	17.6	+44.9%

FINANCIAL HIGHLIGHTS

EARNINGS

- ✈ Record PBT mainly due to Pel-Air/Air Link results:
 - start of Ambulance Victoria contract
 - improved FIFO results
- ✈ PAT up by \$7.9M in line with higher PBT
- ✈ EPS at 23.1 cents (up 46.2%)

FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

STRONG BALANCE SHEET

- ✈️ Cash balance \$43.3M (\$19.0M prior period)
- ✈️ No debt except project financing for Ambulance Victoria contract
- ✈️ Net assets grew by 9.9% to \$176.7M (\$1.60 per share)







FINANCIAL HIGHLIGHTS

SUPERIOR RETURNS

- ✈️ Gross Return on revenue 12.8%
- ✈️ Gross Return on Net Assets 19.8%
- ✈️ Gross Return on market capitalisation 29.9%

FINANCIAL HIGHLIGHTS

AIRLINES COMPARATIVE PERFORMANCE

	 Full Yr ended 30 June 12	 Full Yr ended 30 June 12	 Full Yr ended 30 June 12	 Full Yr ended 31 Dec 11	 Full Yr ended 31 Mar 12	 Full Yr ended 31 Dec 11
Revenue Growth	+14.5%	+5.6%	+19.8%	+29.4%	+2.3%	+8.6%
Gross Revenue Margin	12.8%	-2.2%	0.7%	2.1%	3.0%	1.6%
Gross Return on Net Assets	19.8%	-5.9%	2.9%	4.7%	3.4%	5.5%

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KEY PERFORMANCE INDICATORS

Rex Regular Public Transport

	FY12	FY11	Change
Passengers (M)	1.170	1.201	-2.6%
ASKs (M)	742	748	-0.7%
Average Fare	\$183.5	\$167.6	+9.5%
Load Factor	59.6%	60.3%	-1.2 %
Revenue/ASK	28.9c	26.9c	+7.4%
Total cost/ASK (excl. fuel)	27.8c (23.0c)	26.1c (21.9c)	+6.5% (+5.0%)
Fuel % Total Cost	16.0%	15.6%	+2.6%

KEY PERFORMANCE INDICATORS

AIRLINE OPERATIONAL REVIEW

Airline	On Time Departure					Cancellation Rate (%)				
	FY12	FY11	FY10	FY09	FY08	FY12	FY11	FY10	FY09	FY08
	3 rd	1 st	3 rd	4 th	1 st	0.4%	0.4%	0.2%	0.8%	1.2%
	7 th	5 th	2 nd	1 st	2 nd	2.0%	1.9%	0.7%	1.1%	1.2%
	2 nd	3 rd	1 st	5 th	6 th	1.7%	1.5%	0.8%	2.6%	2.3%
	8 th	6 th	6 th	7 th	7 th	1.6%	1.4%	1.1%	0.9%	0.9%
	4 th	4 th	4 th	3 rd	3 rd	1.3%	2.0%	1.6%	2.0%	1.9%
	6 th	N/A	N/A	N/A	N/A	1.5%	N/A	N/A	N/A	N/A
	5 th	2 nd	5 th	2 nd	4 th	0.2%	0.3%	0.7%	1.4%	0.9%
	N/A	N/A	N/A	7 th	5 th	N/A	N/A	N/A	6.7%	5.2%
	1 st	7 th	7 th	6 th	N/A	0.5%	3.0%	1.5%	0.4%	N/A

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GROUP OPERATIONAL REVIEW

- ✈ Commenced Newcastle to Sydney & Ballina services in Oct 2011
- ✈ Increased Sydney to Orange frequency in Q3
- ✈ Announced cessation of Griffith – Melbourne from FY13
- ✈ Announced new routes for Mildura and Broken Hill
- ✈ Commenced Pilot In Command Under Supervision Programme making Cadet First Officers eligible for upgrade to Captains after completing the programme

GROUP OPERATIONAL REVIEW

- ✈️ Commenced Ambulance Victoria contract on 1 July 2011
- ✈️ Marked increase in Fly In / Fly Out work for Air Link from resource industry
- ✈️ Signed agreement to purchase 4 Saab 340B *plus* aircraft coming off lease in July 2013
- ✈️ Sold 4 Metro 23 aircraft offshore
- ✈️ Flight Attendant enterprise agreement voted in

GROUP OPERATIONAL REVIEW

Industry Recognition



Voted "Best Regional Airline" in the inaugural Australian Traveller Readers' Choice Awards Survey. Over 1,000 readers nominated their all-time favourite in the survey comprising 18 categories, over three months



In July 2012, Aviation Week and Space Technology released its global ranking and for the fourth year running Rex was the highest ranked of all regional airlines in the world and 11th for all categories worldwide, two positions below Singapore Airlines but beating blue-ribbon carriers like Cathay Pacific, Lufthansa, Air France, British Airways. Qantas was ranked 17th and Virgin Australia 25th



GROUP OPERATIONAL REVIEW

TENDERS WON

- ✈ Secured contract extension of Fly in/Fly out with Ivanhoe for Osborne and Mount Dore mines
- ✈ Extension of the Fast Jet contract for 3 years (commenced on 1 Oct 2011)

GROUP OPERATIONAL REVIEW

TENDER PENDING

Awaiting the outcome of the following:

- ✈ Fly in / Fly Out services for Whitehaven Coal at Narrabri

GROUP OPERATIONAL REVIEW

SUBSEQUENT EVENTS

- ✈ Extension of Air Transport Deed of Standing Offer for an additional year until 1 Nov 2013
- ✈ The Commonwealth announced no award for JP66 tender and possible retender
- ✈ Aircraft Engineers, Airline Services Union and Pilot enterprise agreements were voted in, completing all employee agreements

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OUTLOOK & PROFIT FORECAST

- ✈ 1 July 2012 sees the commencement of:
 - Carbon Tax Scheme
 - Cessation of En-route Rebate Scheme
 - Additional security measures
- ✈ Draconian Federal Government measures to have an adverse annual impact of \$4-5M
- ✈ Further rationalisation of marginal routes in response to Federal Government's measures

OUTLOOK & PROFIT FORECAST

- ✈ World economic environment expected to be extremely toxic and Australian economy not spared
- ✈ Passenger numbers expected to fall
- ✈ Fuel price expected to remain high
- ✈ Expected increases in FIFO and freight with possible foreign destinations

PROFIT FORECAST

- ✈ As a result of the combined effect of the:
 - Carbon Tax Scheme
 - Cessation of En-route Rebate Scheme
 - Additional security costs
 - Expected economic slowdown

PBT FY12/13 expected to fall by 15-25%

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- ✈ **The Board believes it prudent to conserve cash in this volatile and toxic environment**
- ✈ **No major capital requirement in the year ahead**
- ✈ **The Board believes a moderate increase in dividend payout will not jeopardise the company's ability to respond to external shocks**
- ✈ **Final Dividend : 9.0c per share, fully franked, (PY was 7.1c per share)**



Q & A

END OF PRESENTATION

THANK YOU

Front Cover Photo by David Morrell
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Kendell pilots cooked cookies for passengers when Ansett collapsed