

Company Briefing

Q1 FY08
Unaudited Results
15 November 2007



AGENDA

- ➔ **CONSOLIDATED INCOME STATEMENT REVIEW**
- ➔ **KEY PERFORMANCE INDICATORS**
- ➔ **OPERATIONAL REVIEW**
- ➔ **OUTLOOK**

CONSOLIDATED INCOME STATEMENT REVIEW

	Q1 FY08 (\$M)	Adjusted Q1 FY07 (\$M)	Change
Passenger Revenue	52.7	49.3	+6.9%
Total Revenue	63.9	51.2	+24.7%
Fuel Cost	10.8	8.95	+20.7%
Other Costs & Expenses	46.4	35.1	+32.2%
Profit After Tax	5.7	5.4	+5.6%

In Q1 FY07, 50% of Pel-Air's profits reflected in PAT figure. Q1 FY08 includes 100% of Pel-Air's results as it became a subsidiary on 1st Jan 07.

KEY PERFORMANCE INDICATORS

	Q1 FY08	Q1 FY07	Change
Passengers	383,611	344,499	+11.4%
ASKs (M)	216	191	+13.1%
Average Fare (\$) (Excl. fuel levy)	137.40 (115.64)	143.22 (119.63)	-4.1% (-3.3%)
Load Factor (%)	66	68	-2.0% pts
Revenue/ASK (cents)*	24.4	25.8	-5.4%
Total cost/ASK (cents)* (Excl. fuel)*	22.7 (18.4)	23.1 (18.4)	-1.7% 0%
Fuel % Total Cost*	18.7	20.3	-1.6% pts

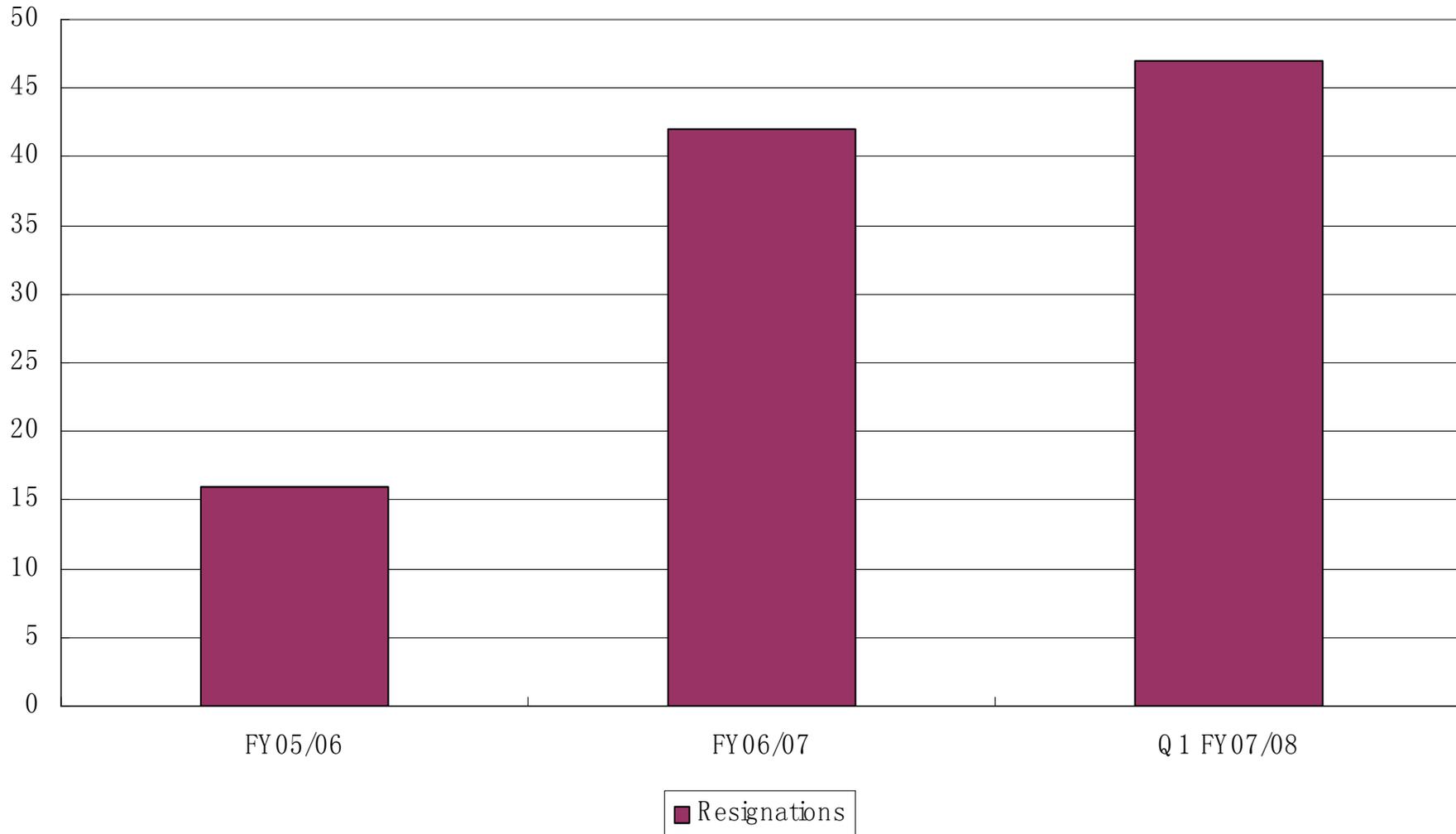
* For comparative purposes, Pel-Air's results have been excluded



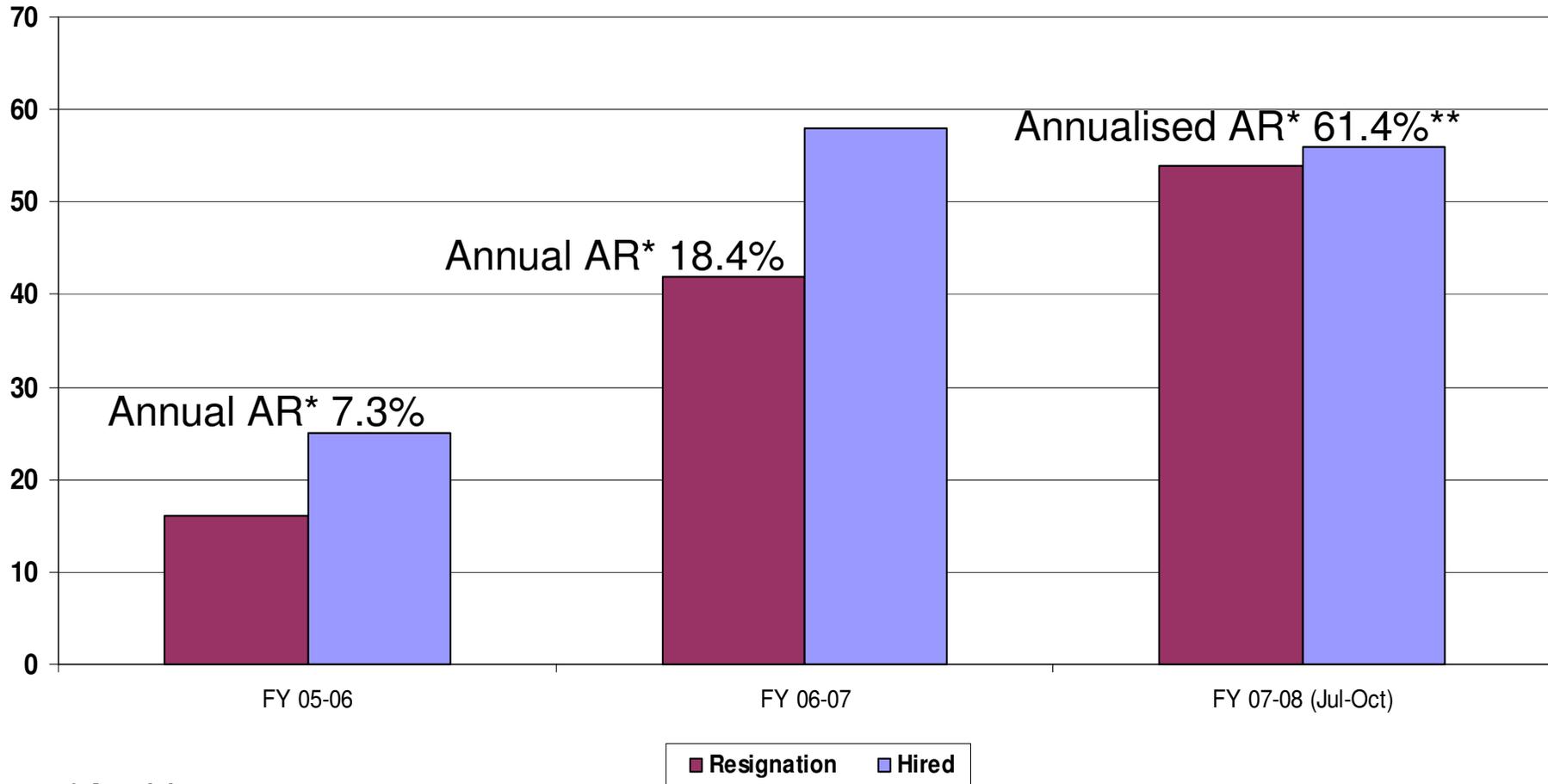
OPERATIONAL REVIEW

- ✈ Ceased OLP services (29 return flights per week) on 2nd July 07
- ✈ Commenced services between Griffith and Melbourne and increased frequency between Griffith and Sydney
- ✈ Increased frequency to Mount Gambier, Whyalla, Port Lincoln and Burnie
- ✈ Pilot shortage

Rex Pilot Resignation FY05/06,06/07,07/08



Rex Pilot Turnover FY05/06,06/07,07/08



*Attrition rate

** Annualised rate based on actual July – Oct 07 and forecast Nov - Dec 07

OTP Calendar Year 2004-2006

Airline	On Time Departure			Cancellation Rate (%)		
	2006	2005	2004	2006	2005	2004
	2nd	1st	2nd	0.3%	0.2%	0.2%
	4th	4th	3rd	0.9%	1.1%	0.9%
	3rd	7th	5th	1.0%	1.2%	0.8%
	5th	5th	4th	0.5%	1.0%	1.0%
	1st	3rd	6th	0.8%	0.8%	0.8%
	6th	2nd	1st	2.3%	1.5%	0.2%
	6th	6th	N/A	2.3%	1.7%	N/A

Cancellations Aug 2007

Airline	Latest BTRE Report - Aug 2007	
	Cancellation Rate (%)	
	2 nd (0.7%)	
	1 st (0.6%)	
	5 th (1.8%)	
	1 st (0.6%)	
	4 th (1.6%)	
	3 rd (0.8%)	
	6 th (2.7%)	
	Sept 2007 (1.8%)	Oct 2007 (2.1%)

OUTLOOK

- Civil Aviation Training Academy (CATA)
- Pilot Cadet Scheme
- Profit Guidance

Civil Aviation Training Academy (CATA)

- ➔ Cadet pilot training conducted by new flying academy called CATA
- ➔ Training will be conducted at Mangalore airport in Victoria
- ➔ Approx. 32 weeks to qualify for a commercial pilot license with command instrument rating and multi-engine endorsement
- ➔ Full food and board provided as part of course fee



OUTLOOK

REX Pilot Cadet Scheme

- Launched on 3rd Oct 07
- Designed to make flying training more affordable for aspiring pilots
- The cadet scheme is designed to supplement the existing recruitment program
- Rex to loan 50 % of flying training cost estimated at AUD 80K to successful applicants, repayable over 7 yrs
- Scholarship to high achievers, bonded with Rex for 6 yrs
- Initially targeting 40 cadets per annum, adjusting the intake in accordance to demand



Profit Guidance

**Maintain profit guidance of Net Profit after tax
increase of 10% for the full financial year**





Mr Lim Kim Hai (L) was invited to answer some informal light-hearted questions from host of the ceremony, Siew Hoon



Mr Lim Kim Hai (L) receiving the CAPA Award for Regional Airline of the Year 2007 from CAPA Chief Operating Officer, Derek Sadubin