

26 August 2009

# Announcement 08/09 Full Year Results

*Annus Horribilis II*



rex.

PEL-AIR<sup>+</sup>

AIR → LINK

AAPA

# AGENDA

- ✈ FINANCIAL HIGHLIGHTS
- ✈ KEY PERFORMANCE INDICATORS
- ✈ OPERATIONAL REVIEW
- ✈ OUTLOOK
- ✈ FORECAST



# Announcement 08/09 Full Year Results

## **FINANCIAL HIGHLIGHTS**



# GROUP INCOME STATEMENT REVIEW

	<b>FY09 \$M</b>	<b>FY08 \$M</b>	<b>Change</b>
<b>Passenger Revenue</b>	<b>204.3</b>	<b>211.3</b>	<b>-3.3%</b>
<b>Total Revenue</b>	<b>251.0</b>	<b>260.5</b>	<b>-3.7%</b>
<b>Fuel Cost</b>	<b>38.9</b>	<b>45.9</b>	<b>-15.2%</b>
<b>Other Costs &amp; Expenses</b>	<b>181.2</b>	<b>182.1</b>	<b>-0.5%</b>
<b>Profit After Tax</b>	<b>23.0</b>	<b>24.3</b>	<b>-5.6%</b>

# GROUP FINANCIAL HIGHLIGHTS

## SUSTAINED EARNINGS

- ✈ Revenue reduced by 3.7% to \$251.0M in line with lower pax numbers
- ✈ Profit after tax down by 5.6% to \$23.0M (\$24.3M prev. FY)
- ✈ Improved EPS of 20.4 cents (20.3 cents prev. FY)



# GROUP FINANCIAL HIGHLIGHTS

## STRONG BALANCE SHEET

- ✈ Cash balance improved to \$15.5M (\$15.1M prev. FY)
- ✈ No long term debt
- ✈ Total assets grew by 3.9% to \$170.7M (\$164.4M prev. FY)
- ✈ Net assets grew by 11.3% to \$125.4M (\$112.7M prev. FY)



# GROUP FINANCIAL HIGHLIGHTS

## SUPERIOR RETURNS

- ✈ Net Return on revenue of 9.1% (9.3% prev. FY)
- ✈ Net Return on total assets of 13.5% (14.8% prev. FY)
- ✈ Net Return on shareholders invested equity of 30.6% (31.0% prev. FY)



# Announcement 08/09 Full Year Results

✈ FINANCIAL HIGHLIGHTS

✈ KEY PERFORMANCE INDICATORS



# KEY PERFORMANCE INDICATORS

	FY09	FY08	Change
Passengers	1,303,934	1,495,582	-12.8%
ASKs (M)	731	814	-10.2%
Average Fare (\$) (Excl. fuel levy)	156.6 (120.6)	141.3 (116.3)	+10.8% (+3.7%)
Load Factor (%)	66.1	68.1	-2.0% pts
Revenue/ASK (cents)	28.0	26.0	+7.7%
Total cost/ASK (excl. fuel) (cents)	25.6 (21.0)	23.8 (19.0)	+7.6% (+10.5%)

# AIRLINE OPERATIONAL REVIEW

OTP 06-09

Airline	On Time Departure				Cancellation Rate (%)			
	FY09	FY08	FY07	FY06	FY09	FY08	FY07	FY06
	4 <sup>th</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	0.8%	1.2%	0.2%	0.2%
	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	5 <sup>th</sup>	1.1%	1.2%	0.6%	1.1%
	5 <sup>th</sup>	6 <sup>th</sup>	4 <sup>th</sup>	6 <sup>th</sup>	2.6%	2.3%	1.0%	1.1%
	7 <sup>th</sup>	7 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	0.9%	0.9%	0.5%	0.5%
	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2.0%	1.9%	0.9%	0.8%
	2 <sup>nd</sup>	4 <sup>th</sup>	6 <sup>th</sup>	3 <sup>rd</sup>	1.4%	0.9%	3.1%	2.8%
	7 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	7 <sup>th</sup>	6.7%	5.2%	2.2%	2.2%
	6 <sup>th</sup>	N/A	N/A	N/A	0.4%	N/A	N/A	N/A

Source : BITRE stats based on financial yrs

# AIRLINE OPERATIONAL REVIEW

July 09

Airline	On Time Departure	Cancellation Rate (%)
	July 09	July 09
	1st	0.3%
	2nd	0.9%
	3rd	0.6%
	6th	0.7%
	4th	1.1%
	7th	1.9%
	5th	0.5%

Source : BITRE stats July 09

# AWARDS

Rex ranked **WORLD'S BEST REGIONAL AIRLINE** in Aviation Week's 2009 Top Performing Companies survey:

- ✈ All listed regional airlines in the world were ranked;
- ✈ Criteria: liquidity, financial health, earnings performance, fuel cost management and asset utilisation;
- ✈ Rex was considered best positioned to weather the current global recession and recent volatility in fuel prices.





# 2009 TOP PERFORMING COMPANIES

## -Regional Carriers

Rank	Company	Score Date	2008 Revenue (\$millions)	Total Score	Liquidity	Financial Health	Earnings Performance	Fuel Management	Asset Management
1	Regional Express Holdings Ltd	June 08	245	52	67	59	42	19	72
2	Jazz Air Income Fund	Dec 08	1,329	38	40	48	55	18	47
3	Sky West Inc	Dec 08	3,496	34	49	58	16	39	35
4	ExpressJet Holdings Inc	Dec 08	1,318	34	41	48	14	23	35
5	Cornair Ltd	June 08	343	27	33	41	22	15	49
6	Republic Airways Holdings. Inc	Dec 08	1,480	27	18	32	58	27	44
7	Mesa Air Group Inc	Dec 08	1,265	18	18	38	51	17	32
8	Pinnacle Airlines Corp	Dec 08	865	17	17	30	48	11	42
9	Great Lakes Aviation Ltd	Dec 08	116	16	25	39	23	5	32

The Top-Performing Companies methodology for airlines accurately measures financial viability and provides this year's exceptional TPC council of Advisers with a clear baseline to evaluate carrier's financial fitness

# AIRLINES ESTIMATED COMPARATIVE PERFORMANCE

	 Full Yr ended 30 June 09	 Full Yr ended 31 Mar 09	 Half Yr ended 30 June 09	 Full Yr ended 30 June 09	 Full Yr ended 31 Mar 09	 Full Yr ended 31 Mar 09	 Half Yr ended 30 June 09
Revenue Margin (PBT/Revenue)	12.3%	7.5%	-1.1%	1.2%	-4.5%	3.6%*	3.8%
Revenue Growth	-3.7%	+0.15%	-7.9%	-10.2%	+2.7%	+8.4%	-27.1%
PBT Growth	-5.2%	-52.9%	-110.1%	-87.1%	-143.5%	-78.0%*	+278.8%

• RYANAIR results is based on PAT

# Announcement 08/09 Full Year Results

- ✈ FINANCIAL HIGHLIGHTS
- ✈ KEY PERFORMANCE INDICATORS
- ✈ OPERATIONAL REVIEW



# GROUP OPERATIONAL REVIEW

- ➔ Greatly reduced pilot attrition
- ➔ Exit of smaller Air Link routes
- ➔ Fleet upgrade : additional 6 SAAB 340 B-*plus*
- ➔ Pel-Air selected conditional preferred tenderer for Ambulance Victoria for the provision of fixed wing patient transport services
- ➔ Withdrawal of 10 Metro III freighters and 1 Brasilia and the introduction of 3 Saab freighters
- ➔ Expansion of jet medivac service to Cairns giving Australia wide coverage



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- ✈ **KEY PERFORMANCE INDICATORS**
- ✈ **OPERATIONAL REVIEW**
- ✈ **OUTLOOK**



# OUTLOOK

- ✈ Continuing uncertainty in fuel prices
- ✈ Economic environment to be moribund
- ✈ Introduction of last 7 SAAB 340 B *Plus*
- ✈ Entry into North Queensland
- ✈ Completion of AAPA campus in Q3 FY09-10
- ✈ Several major tenders in process

# OUTLOOK

## → Major tenders in process:

- Ambulance Victoria – Fixed Wing Patient Transport Services  
(awarded preferred tenderer status)
- Ambulance Service of NSW – Fixed Wing Patient Transport Services
- Queensland Health – Fixed Wing Aero-Medical Services
- Alice Springs, Darwin Hospitals - Provision of Aero Medical Evacuation Services for Inter-hospital Transfers to Other States
- JP 66 Phase 1 – Air Defence Target System (ADTS) for supply of air targets and drones to ADF

# OUTLOOK

## → Major tenders in process:

- AFTG 01-0910 - to provide Interim Flight Screening and Basic Flying Training and associated services (IBFT) in support of the ADF
- Air Transport Standing Offer - supply of charter services to ADF and Commonwealth
- Queensland transport subsidised regional air services



# PROFIT FORECAST

✈ The group is unable to provide a profit guidance in light of a highly volatile economic outlook, passenger demand, exchange rate and fuel prices



# DIVIDEND

✈ The directors have recommended the prudent approach of postponing the payment of dividends as the outlook remains uncertain. The Board recommends a reassessment of the situation at its meeting in Feb 2010 and the payment of an interim dividend if the situation warrants.



Q&A

**END OF  
PRESENTATION**

**THANK YOU**

