

**Company Briefing**  
**Q1 FY07 Unaudited Results**  
**16 November 2006**



# AGENDA

- ✈ **UNAUDITED CONSOLIDATED INCOME STATEMENT REVIEW**
- ✈ **KEY PERFORMANCE INDICATORS**
- ✈ **OPERATIONAL REVIEW**
- ✈ **AIRLINES COMPARATIVE PERFORMANCE**
- ✈ **OUTLOOK**



# UNAUDITED CONSOLIDATED INCOME STATEMENT REVIEW

	Q1 FY07 (\$M)	Q1 FY06** (\$M)	Change
Passenger Revenue	49.3	40.3	+22.3%
Total Revenue	51.1	41.3	+23.7%
Fuel Cost	8.95	6.25	+43.2%
Other Costs & Expenses	34.8	29.8	+16.8%
Profit After Tax	5.7	3.9	+46.0%

\*\*This does not include the results for Air Link.



## KEY PERFORMANCE INDICATORS

	Q1 FY07	Q1 FY06	Change
Passengers	344,499	287,418	+19.8%
ASKs (M)	191	171	+11.7%
Average Fare (\$) (Excl. fuel levy)	143.22 (119.63)	140.24 (122.00)	+2.1% (-1.9%)
Load Factor (%)	68	65	+3.0% pts
Revenue/ASK (cents)	25.8	23.6	+9.3%
Total cost/ASK (cents) (Excl. fuel)	22.9 (18.2)	21.1 (17.4)	+8.5% (+4.6%)
Fuel % Total Cost	20.4	17.3	+3.1% pts
PBT Margin (%)	15.5	13.9	+1.6 pts

## **OPERATIONAL REVIEW**

- ✈ **Continuation of strategy to remove the 19 seat Metro 23 services from passenger services and replace with 34 seat Saab 340 (Adelaide and Sydney operations Q1)**
- ✈ **Continued efforts to increase Saab 340 frequency, particularly in Burnie (Tas), Port Lincoln (SA) and Kangaroo Island (SA) in the wake of QantasLink withdrawal from these routes**
- ✈ **Increased Saab frequency between Wagga Wagga and Sydney**



# AIRLINES ESTIMATED COMPARATIVE PERFORMANCE

	 1 <sup>st</sup> Quarter ended 30 Sep 06	 2 <sup>nd</sup> Quarter ended 30 Sep 06	 2 <sup>nd</sup> Quarter ended 30 June 06	 Full year ended 30 June 06	 9 months ended 30 June 06	 Full year ended 30 June 06
Revenue Growth	+23.8%	+7.7%	+26.0%	+8.6%	+8.5%	+117% <sup>**</sup>
Revenue Margin (PBT/Revenue)	15.5%	11.2%	21.0%	4.9%	8.8%	5.9%
Net Revenue Margin (NPAT/Revenue)	11.2%	8.7%	13.6%	3.5%	6.1%	4.7%
PBT Growth	+38.5%	-12.9%	+119%	-26.6%	+16%	+171%
Debt/Equity <sup>**</sup>	N/A	0.14	0.26	0.88	1.15	N/A

\*Borrowing is based on interest bearing long term debt only.

\*\*Adjusted 15 months ended 30 June 2005 to be comparable with 12 months ended 30 June 2006

# OUTLOOK

- ✈️ **Forecast FY07 PAT +20% above FY06**
- ✈️ **Introduction of 25 latest model Saab 340B Plus aircraft over the next 3 years allowing for fleet modernisation, expansion into new routes and consolidation of existing routes**
- ✈️ **Expansion of Rex group charter & air freight business by adding additional aircraft to the Pel-Air fleet**
- ✈️ **Air Link's expansion of its network in New South Wales with the introduction of its second Beech 1900D aircraft**



**QUESTION  
AND  
ANSWER**

**END OF PRESENTATION  
THANK YOU**

