



REX AGM 2013



PERFORMANCE

- ✈ Revenues decreased by 3.2% to \$207.9M
- ✈ Pax dropped by 6.8% to 1.09M
- ✈ PBT fell by 45.3% to \$19.2M

IMPACT OF FEDERAL GOV'T POLICIES

P&L Impact









- ✈ Carbon tax on fuel: \$2.4M
- ✈ En-Route Charge: \$2M
- ✈ 79k fewer pax resulting in \$12.5 M less pax revenue

NETWORK CHANGES

- ✈ Commenced new routes - Broken Hill and Mildura July 2012
- ✈ Ceased Melbourne to Griffith July 2012
- ✈ Frequency on SYD-WGA increased from 56 to 64 weekly flights

On Time Performance

AIRLINE OPERATIONAL REVIEW

Airline	On Time Departure				Cancellation Rate (%)		
	FY13	FY12	FY11		FY13	FY12	FY11
	1 st	3 rd	1 st		0.7%	0.4%	0.4%
	6 th	7 th	5 th		2.5%	2.0%	1.9%
	2 nd	2 nd	3 rd		1.6%	1.7%	1.5%
	8 th	8 th	6 th		1.3%	1.6%	1.4%
	3 rd	4 th	4 th		1.7%	1.3%	2.0%
	4 th	6 th	N/A		2.4%	1.5%	N/A
	7 th *	5 th	2 nd		0.2%*	0.2%	0.3%
	5 th	1 st	7 th		1.2%	0.5%	3.0%

* YTD Apr 2013. Skywest incorporated into Virgin Regional Airlines eff. 7 May 13

INDUSTRY RECOGNITION

AVIATION WEEK
TOP PERFORMING AIRLINE
ASIA-PACIFIC 2013

Rex was ranked as the Top Performing Airline in the Asia-Pacific region and second for all carriers worldwide in a study based on 5 financial indicators over the 2012 calendar year.

This result is a continuation of Rex's solid performance in previous years, where since 2009 Rex was ranked as the world's top performing regional airline.

FLEET / SPARE PARTS

- ✈ Signed agreement to purchase 12 Saab 340B+
- ✈ Air Link sold 1 Piper Chieftain
- ✈ AAPA purchased a Cessna 150 Aerobat aircraft
- ✈ Signed agreement to purchase 215,000 Saab 340 spare parts holdings from Pinnacle Airlines in the US
- ✈ Signed agreement to purchase full motion Saab Simulator to increase flexibility of pilot training

SUBSEQUENT EVENTS

- ✈ Took delivery of the spares holdings of Pinnacle
- ✈ Took ownership of 7 Saab 340B+ aircraft at lease end on 2 July 2013
- ✈ Commenced construction of Simulator building at AAPA campus

SIMULATOR BUILDING - AAPA



CAPITAL EXPENDITURE

- ✈️ FY13 Capex was \$1.36 M lower than prior period:
 - ✈️ engineering rotables
 - ✈️ aircraft avionics upgrade
 - ✈️ purchase of a warehouse
 - ✈️ Ground service equipment
 - ✈️ Computer equipment

CAPITAL EXPENDITURE

- ✈ Major capital investments in FY14:
 - purchase of 25 Saab 340B+ aircraft
 - purchase of the Pinnacle spares
 - purchase of a full motion Saab simulator
 - construction of a building to house the simulator
 - avionics upgrade
- (Totalling over \$50 million)

which will generate substantial improvements in cash flow in the order of \$10 million per annum

OUR SUBSIDIARIES

Pel-Air

- ✈️ Ambulance Victoria Contract entered its 2nd yr of operations and is running well
- ✈️ Fast jet support service provision to the ADF is in steady state operation
- ✈️ Turboprop charters using Saab aircraft operated steadily throughout the year

OUR SUBSIDIARIES

Air Link

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

OUR SUBSIDIARIES

AAPA

- ✈ 17 cadets graduated in the FY
- ✈ Further 19 were enrolled
- ✈ Enrolled 43 students from Alpha Aviation Group and graduated 41
- ✈ Since commencement (Dec 2007), graduated 155 Rex cadets with 124 already flying for Rex

PILOT SITUATION

- ✈️ Resignation rate lower than historical average but higher captain attrition
- ✈️ 39 enrolled in PICUS as of 30 June 2013
- ✈️ 7 cadets promoted to Captain since inception of PICUS Programme in Sept 2011

TENDER UPDATE

TENDERS WON

- ✈ Rex was re-awarded 8 NSW intrastate Air Transport licences till March 2018

TENDER UPDATE

TENDERS PENDING

- ✈ Target Towing services under a subcontractor bid to a Defence Base Services Tender

UPCOMING TENDER

- ✈ Procurement of dedicated airborne search and rescue services (Australian Maritime Safety Authority)

REX IN THE COMMUNITY

Rex donated approx A\$ 250,000 to various relief and charitable causes in FY1213:

- ✈️ Kidney Health Australia
- ✈️ House with no Steps
- ✈️ Chad Hancock Annual Race Day
- ✈️ Julia Creek Dirt and Dust festival
- ✈️ Rotary Club fundraisers
- ✈️ Cancer council's fundraisers



Rex's Warrick Lodge presenting proceeds from Rex's 10th Anniversary open day to Marie Papworth of Can Assist and Chris Blake of Country Hope

DIVIDEND

- ✈ In view of the company's substantial capital investments in FY14 and the volatile environment the Board believes it prudent to conserve cash and consequently no dividend will be paid for FY13

PROFIT FORECAST

- ✈ The Group is unable to provide an accurate profit guidance in light of a highly volatile
Financial / economic environment;
FX exchange rate;
Fuel price

- ✈ However the continued weakness in the Australian economy in 1Q FY14 indicate that the full year performance will significantly deteriorate from the prior period

Q & A

**END OF
PRESENTATION**

THANK YOU

PROXY SUMMARY

AGM 2013 Proxy Results

