



10/11 FULL YEAR RESULTS



AGENDA

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

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FINANCIAL HIGHLIGHTS

GROUP INCOME STATEMENT REVIEW

	FY11 \$M	FY10 \$M	Change
Passenger Revenue	201.3	192.0	+4.8%
Total Revenue	240.5	229.5	+4.8%
Fuel Cost	33.7	30.4	+10.9%
Other Costs & Expenses	182.7	172.9	+5.7%
Profit Before Tax	24.1	26.2	-8.0%
Profit After Tax	17.6	24.6	-28.5%

FINANCIAL HIGHLIGHTS

EARNINGS

- ✈️ PBT reduced 8.0% due to cost increases (primarily fuel cost), difficult environment and continuing restructuring of Pel-Air
- ✈️ PAT down by \$7M in line with lower PBT and absence of prior year's fiscal incentives
- ✈️ EPS at 15.8 cents (19% of closing share price)

FINANCIAL HIGHLIGHTS

STRONG BALANCE SHEET

- ✈️ Cash balance of \$19.0M, up \$8.7M from prior year
- ✈️ No debt except \$29M debt for project financing (Ambulance Victoria)
- ✈️ Net assets grew by 6.8% to \$160.8M







FINANCIAL HIGHLIGHTS

SUPERIOR RETURNS

- ✈️ Gross Return on revenue of 10.0%
- ✈️ Gross Return on Net Assets of 15.0%
- ✈️ Gross Return on shareholders invested equity of 32.3%

FINANCIAL HIGHLIGHTS

AIRLINES COMPARATIVE PERFORMANCE

	 Full Yr ended 30 June 11	 Full Yr ended 30 June 11	 Full Yr ended 30 June 11	 Full Yr ended 31 Dec 10	 Full Yr ended 31 Mar 11	 Full Yr ended 31 Mar 11
Revenue Growth	+4.8%	+8.1%		+16.9%	+17.7%	+12.5%
Revenue Margin (Gross)	10.0%	2.2%	Losses Expected	6.2%	9.8%	1.8%
Gross Return on Net Assets	15.0%	5.3%		11.9%	9.8%	6.3%

FINANCIAL HIGHLIGHTS

SUBSIDIARIES PROFIT BEFORE TAX

	FY1011	FY0910	FY0809	FY0708
	\$M	\$M	\$M	\$M
Rex	24.6	24.6	27.5	25.0
Pel-Air	0.6	3.2	2.9	4.9
Air Link	-0.3	-0.4	0.3	1.9
AAPA	-0.6	-0.6	-0.7	0.9

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KEY PERFORMANCE INDICATORS

	FY11	FY10	Change
Passengers (M)	1.201	1.239	-3.0%
ASKs (M)	748	742	+0.82%
Average Fare	\$167.6	\$155.0	+8.1%
Load Factor	60.3%	61.9%	-1.6 % pts
Revenue/ASK	26.9c	25.9c	+3.9%
Total cost/ASK (excl. fuel)	26.1c (21.9c)	24.2c (20.6c)	+7.8% (+6.3%)
Fuel % Total Cost	15.6%	14.9%	+0.7% pts

KEY PERFORMANCE INDICATORS

AIRLINE OPERATIONAL REVIEW

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

* Due to Ash cloud disruption in June 2011.
Otherwise 0.2% prior to June.

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GROUP OPERATIONAL REVIEW

- ✈️ Capacity reductions Burnie - MEL and Mt Gambier - Adelaide due to increased airport charges
- ✈️ Capacity reduction Port Lincoln - ADL due to oversupply of total market capacity
- ✈️ Improved Merimbula and Moruya services introduced late Q3
- ✈️ Improved Griffith – MEL service from Q4
- ✈️ June cancellations due to volcanic ash cloud
- ✈️ Significant increase in FIFO and charter business

GROUP OPERATIONAL REVIEW

TENDERS WON

- ✈ Fly in/Fly out with Ivanhoe for Osborne and Mount Dore mines
- ✈ Revised agreement with AAE for standby Saab freighter

GROUP OPERATIONAL REVIEW

TENDERS PENDING

Awaiting outcome of the following:

- ✈ Air Defence Target System Services (JP66)
(expected operational date 1 July 2012)
- ✈ Extension of the Fast Jet Contract for 3 years
(expected operational date 1 Oct 2011)

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OUTLOOK

- ✈ AAPA to take on foreign students from August
- ✈ Further increases in FIFO and freight with possible foreign destinations
- ✈ Start of Air Ambulance Victoria 1 July 2011
- ✈ Temporary extension of the Fast Jet contract

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PROFIT FORECAST

The group is unable to provide an accurate profit guidance in light of a highly volatile

- ✈ financial / economic environment;
- ✈ FX exchange rate; and
- ✈ fuel price

However the Group expects all subsidiaries to be profitable in FY11/12

FINANCIAL HIGHLIGHTS

SUBSIDIARIES Q4 PROFIT BEFORE TAX

	Q4 1011	Q4 0910	Variance
	\$M	\$M	\$M
Rex	7.5	7.3	+0.2
Pel-Air	0.7	0.5	+0.2
Air Link	0.2	0.2	+0.4
AAPA	0.1	0.3	+0.4

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✈ Final dividend FY10-11 : 7.1 cents per share, fully
franked, payable in Nov 2011



Q & A

END OF PRESENTATION

THANK YOU





Our first day time mission on 1st July 2011