

Aviation in Crisis

ANNOUNCEMENT
HALF YEAR RESULTS
FY 13/14



AGENDA

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



CONSOLIDATED INCOME STATEMENT REVIEW

	1H FY14 (\$M)	1H FY13 (\$M)
Passenger Revenue	105.0	109.2
Total Revenue*	130.1	137.1
Fuel Cost	19.7	19.0
Carbon Tax on fuel	1.3	1.3
Other Costs & Expenses	103.1	103.3
En-route charges	1.0	1.0
Profit before Tax	5.0	12.5
Earnings per share	3.3c	8.3c

* Includes Finance income and other gains and losses



KEY PERFORMANCE INDICATORS








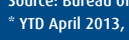
	1H FY14	1H FY13
Passengers	548,303	577,873
ASKs (M)	382.4M	384.6M
Average Fare (\$)	191.4	188.9
Load Factor	54.1%	56.8%
Revenue / ASK (cents)	28.5	28.4
Cost / ASK (cents) (excl. carbon tax and en-route charges)	28.5 (27.8)	27.9 (27.3)
Fuel % Total Cost*	16.8%	16.3%

* Includes carbon tax



ON TIME PERFORMANCE

AIRLINE OPERATIONAL REVIEW

Airline	On Time Departure (ranking)				Cancellation Rate (%)			
	1H FY14	FY13	FY12	FY11	1H FY14	FY13	FY12	FY11
 Regional Express	1 st	1 st	3 rd	1 st	0.6	0.7	0.4	0.4
 QANTASLINK	5 th	6 th	7 th	5 th	3.9	2.5	2.0	1.9
 Virgin Australia	2 nd	2 nd	2 nd	3 rd	0.9	1.6	1.7	1.5
 Jetstar	6 th	8 th	8 th	6 th	2.2	1.7	1.6	1.4
 Virgin Australia ATR Operations	4 th	3 rd	4 th	4 th	1.5	1.3	1.3	2.0
 Virgin Australia ATR Operations	3 rd	4 th	6 th	N/A	1.2	2.4	1.5	N/A
 Skywest	N/A	7 th *	5 th	2 nd	N/A	0.2	0.2	0.3
 Pel-Air	7 th	5 th	1 st	7 th	2.5	1.2	0.5	3.0

Source: Bureau of Infrastructure, Transport and Regional Economics

* YTD April 2013, part of Virgin Regional Airlines effective 7 May 2013



OPERATIONAL REVIEW

- ➔ No network changes
- ➔ Took delivery of the spares holdings of Pinnacle
- ➔ Took ownership of 7 Saab 340B+ aircraft at lease end
- ➔ Commenced construction of Simulator building at the Australian Airline Pilot Academy (AAPA)
- ➔ Signed agreement to purchase 9 Saab 340B+ at lease end (Mar 2014) making it 17 aircraft to date
- ➔ AAPA's Alpha contract ended Nov 2013



SIMULATOR BUILDING - AAPA



TENDER UPDATE

TENDERS WON

- ✈️ Signed Deed of agreement with SA Government "Across Government Contract for the Provision of Airline Services"

TENDERS PENDING

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



INDUSTRY RECOGNITION



Rex has twice been voted 'Best Regional Airline' in the Australian Traveller Readers' Choice Awards Survey in the 3 year history of the award.

This accolade is an important recognition as the Awards are voted by the most important people in the industry - the travellers themselves.



OUTLOOK

- ➔ Agreement in principle reached for the purchase of the last remaining 8 aircraft at lease expiry in March 2014
- ➔ Gained accreditation from the UAE's General Civil Aviation Authority (GCAA) as an approved Flight Training Organisation to conduct ATPL training for UAE carriers
- ➔ Starting Armidale Services on 28 March 2014



PROFIT OUTLOOK

- ➔ The second half is expected to be a continuation of the trend experienced in the first half as the economy is not expected to improve
- ➔ The continuing high volatility of the exchange rate and the cost of fuel does not allow us to give a forecast of the full year profitability



Q&A

**END OF PRESENTATION
THANK YOU**





Rex Chief Operating Officer Garry Filmer receiving the 2013 Australian Traveller Readers' Choice award from Australian Traveller Magazine Editor Georgia Rickard