



AUSTRALIAN AIRLINE PILOT ACADEMY

AAPA

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Member of the *rex* Group

09/10 Full Year Results

AGENDA

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

ANNOUNCEMENT 09/10 Full Yr Results

FINANCIAL HIGHLIGHTS



GROUP INCOME STATEMENT REVIEW

\$M	FY10	FY09	Change
Passenger Revenue	193.2	204.3	-5.4%
Total Revenue	229.7	251.0	-8.5%
Fuel Cost	30.4	38.9	-21.9%
Other Costs & Expenses	173.0	181.2	-4.5%
Profit Before Tax	26.2	30.8	-14.7%
Profit After Tax	24.6	23.0	+7.2%






GROUP FINANCIAL HIGHLIGHTS

EARNINGS

- ✈ PBT reduced 14.7% due to difficult environment and continued restructuring
- ✈ PAT up by \$1.6M due to tax incentives
- ✈ EPS up by 8.8% to 22.2 cents



AIRLINES ESTIMATED COMPARATIVE PERFORMANCE

	 Full Yr ended 30 June 10	 Full Yr ended 30 June 10	 Full Yr ended 31 Mar 10	 Half Yr ended 30 June 10	 Full Yr ended 31 Mar 10
Revenue Margin (PBT/Revenue)	11.4%	1.3%	2.2%	3.4%	-6.6%
Revenue Growth	-8.5%	-5.4%	-20.6%	+16.6%	-11.1%
PBT Growth	-14.7%	-1.6%	-76.2%	N/A	-32.4%
PAT Growth	+7.2%	-5.7%	-75.6%	N/A	-18.7%

GROUP FINANCIAL HIGHLIGHTS

STRONG BALANCE SHEET

- ✈ Cash balance of \$10.3M, reduction due to funding of AAPA construction \$ 16M
- ✈ Took on \$26 M debt for project financing (Ambulance Victoria)
- ✈ Net assets grew by 20.1% to \$150.6M



GROUP FINANCIAL HIGHLIGHTS

SUPERIOR RETURNS

- ✈ Net Return on revenue of 10.7% (9.1% prev. FY)
- ✈ Net Return on total assets of 11.2% (13.5% prev. FY) – reduction due to project financing with earning streams only from 1 July 2011
- ✈ Net Return on shareholders invested equity of 33.0% (30.6% prev. FY)

ANNOUNCEMENT 09/10 Full Year Results









- ✈ FINANCIAL HIGHLIGHTS
- ✈ KEY PERFORMANCE INDICATORS



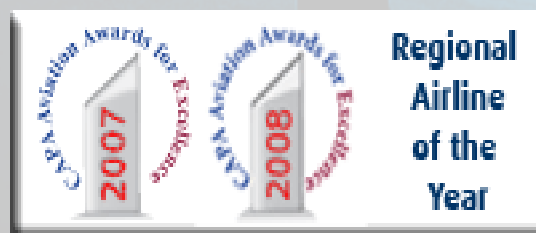
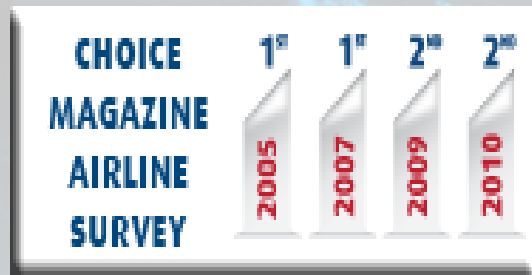
KEY PERFORMANCE INDICATORS

	FY10	FY09	Change
Passengers	1,238,883	1,303,934	-5.0%
ASKs (M)	742	731	+1.5%
Average Fare (\$)	155.9	156.6	-0.45%
Load Factor (%)	61.9	66.1	-4.2% pts
Revenue/ASK (cents)	26.0	28.0	-7.1%
Total cost/ASK (excl. fuel) (cents)	24.2 (20.6)	25.6 (21.0)	-5.3% (-1.9%)

AIRLINE OPERATIONAL REVIEW

Airline	On Time Departure				Cancellation Rate (%)			
	FY10	FY09	FY08	FY07	FY10	FY09	FY08	FY07
	3 rd	4 th	1 st	3 rd	0.2%	0.8%	1.2%	0.2%
	2 nd	1 st	2 nd	1 st	0.7%	1.1%	1.2%	0.6%
	1 st	5 th	6 th	4 th	0.8%	2.6%	2.3%	1.0%
	6 th	7 th	7 th	4 th	1.1%	0.9%	0.9%	0.5%
	4 th	3 rd	3 rd	2 nd	1.6%	2.0%	1.9%	0.9%
	5 th	2 nd	4 th	6 th	0.7%	1.4%	0.9%	3.1%
	N/A	7 th	5 th	5 th	N/A	6.7%	5.2%	2.2%
	7 th	6 th	N/A	N/A	1.5%	0.4%	N/A	N/A

REX – Industry Recognition



ANNOUNCEMENT 09/10 Full Year Results

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



GROUP OPERATIONAL REVIEW

- ✈️ Commenced fly in / fly out charter contract for Illuka resources
- ✈️ Resumption of Melbourne – Griffith route
- ✈️ Commenced QLD N1 & N2 routes
- ✈️ Started Townsville – Mount Isa direct service

GROUP OPERATIONAL REVIEW

- ✈ Took delivery of last 8 SAAB 340 B+
- ✈ 10 additional Piper aircraft for AAPA
- ✈ Took delivery of 4 B200C Kingair aircraft for AV contract
- ✈ AAPA construction completed within one year

OPERATIONAL REVIEW – TENDERS WON

- ✈ Fly in/Fly out contract with Illuka Resources
- ✈ Cwlth Air Transport Deed of Standing Offer
- ✈ QLD regulated and subsidised N1 & 2 routes



OPERATIONAL REVIEW – TENDERS WON

- ✈ Air Ambulance Victoria
- ✈ Whole of Australian Gov Travel
- ✈ Victorian Gov tender for the provision of Domestic/Regional Air services



OPERATIONAL REVIEW – TENDERS PENDING

Awaiting outcome of the following:

- ✈ Air Defence Target System Services (JP66)
- ✈ NT Aero Medical Service
- ✈ NT Gov Tender – provision of interstate aero medical evacuation services panel contract

ANNOUNCEMENT 09/10 Full Year Results

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



OUTLOOK

- ✈️ AAPA ready to take on foreign students
- ✈️ Pel Air to increase focus on FIFO
- ✈️ Rex to consolidate network and focus on improving load factors
- ✈️ Pilot attrition to be on the increase but cadet programme will mitigate effects.

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

- ✈ Final dividend FY09-10 : 6.6 cents per share, fully franked, payable in Nov 2010



Q & A

**END OF
PRESENTATION**

THANK YOU



FLIGHT TRAINING CENTRE



REX OFFICES & HANGAR



AAPA CAMPUS



Aerial view of AAPA campus