



31 DECEMBER 2014

HALF-YEAR

FINANCIAL REPORT

REGIONAL EXPRESS HOLDINGS LIMITED
ACN 099 547 270 (ASX CODE: REX)

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REGIONAL EXPRESS HOLDINGS LIMITED

APPENDIX 4D: RESULTS FOR ANNOUNCEMENT TO THE MARKET & HALF-YEAR FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014.

ALL AMOUNTS ARE PRESENTED IN AUSTRALIAN DOLLARS, UNLESS OTHERWISE NOTED.

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ASX APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 2014 \$M	31 Dec 2013 \$M	Change \$M	Change %
Revenue	129.8	129.3	0.5	0.4
Profit from ordinary activities after tax attributable to members	3.9	3.6	0.3	8.3
Net profit for the period attributable to members	3.9	3.6	0.3	8.3
	Amount per share		Franked amount per share	
Interim dividend	-	-	-	-
Final dividend	-	-	-	-
Record date for determining entitlements	-	-	-	-
	31 Dec 2014 \$	31 Dec 2013 \$	Change %	
Net tangible assets per ordinary share	1.68	1.60	5.0	

EXPLANATION OF RESULTS

The first half of Financial Year (FY) 2015 saw a reduction of 2.3% in the passenger airline's Available Seat Kilometres (ASKs) against the same period last year. This is due to a route restructuring in October 2014 whereby weaker ports are combined to boost load factors. Passenger numbers were stable with a slight 0.3% reduction due to less flying. The Group's revenue increased by 0.4% to \$129.8 million.

Total costs over this period decreased by 1.0% to \$123.8 million. This is due to a lower aircraft lease expense as we now own all our Saabs (last batch of 18 Saab leases expired in March 2014), lower fuel prices and the repeal of the carbon tax.

We are fully hedged for Jet A1 for one year at 78.1 Australian cents per litre which is an almost \$2 million reduction on the previous year's cost if fuel consumption remained at the same levels.

The Group's profit before tax for the period increased by 10% to \$5.5 million.

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DIRECTORS' REPORT

The directors of Regional Express Holdings Limited ('Rex') submit herewith the financial report for the half-year ended 31 December 2014.

The names and details of the Company's directors in office during the half-year and until the date of this report are as below:

NAME	TITLE
Lim Kim Hai	Executive Chairman
The Hon. John Sharp	Deputy Chairman and Independent Director
Neville Howell	Chief Operating Officer
Chris Hine	Executive Director
James Davis	Independent Director
Lee Thian Soo	Non-Executive Director
Ronald Bartsch	Independent Director
Garry Filmer	Alternate Director to Chris Hine

REVIEW OF OPERATIONS

Summary Review

Network capacity saw a 2.3% reduction in Available Seat Kilometres (ASKs). Passenger numbers were stable with a modest 0.3% decline. This load factor improved by 0.5% points and was 54.6% for the period.

Fuel cost decreased 13.1% over the period due to a combination of reduced flying and lower fuel prices.

Pilot attrition for the period under review was consistent with the previous year, continuing to be below long term averages. Recruitment outweighed resignations with the Saab pilot ranks increasing by four. Internal promotions saw the Saab captains numbers strengthen by five during the period under review.

Key Performance Indicators Table

	1H FY 2015	1H FY 2014	Change
Passengers	546,668	548,303	-0.3%
ASK	373.4 M	382.2 M	-2.3%
Load Factor	54.6 %	54.1 %	+0.5% pts
Passenger Revenue/ASK	29.0c	28.5c	+1.8%
Other Revenue/ASK	0.7c	0.7c	-
Total Pax Cost/ASK	29.2c	28.5c	+2.5%
Fuel % Total Cost	14.7%	16.8%	-2.1% pts

Route Network Developments

In September 2014, Rex announced significant capacity reductions on several NSW marginal routes including Sydney to Taree, Grafton, Lismore and Newcastle, which are all routes that were not able to achieve the required returns on capital. The Rex Board approved continuing services to all ports but with total capacity reduced to be better aligned with demand. The consolidated capacity on these routes took effect from 27 October 2014, which saw Lismore and Grafton services combined, as well as the linking of services between Taree and Newcastle.

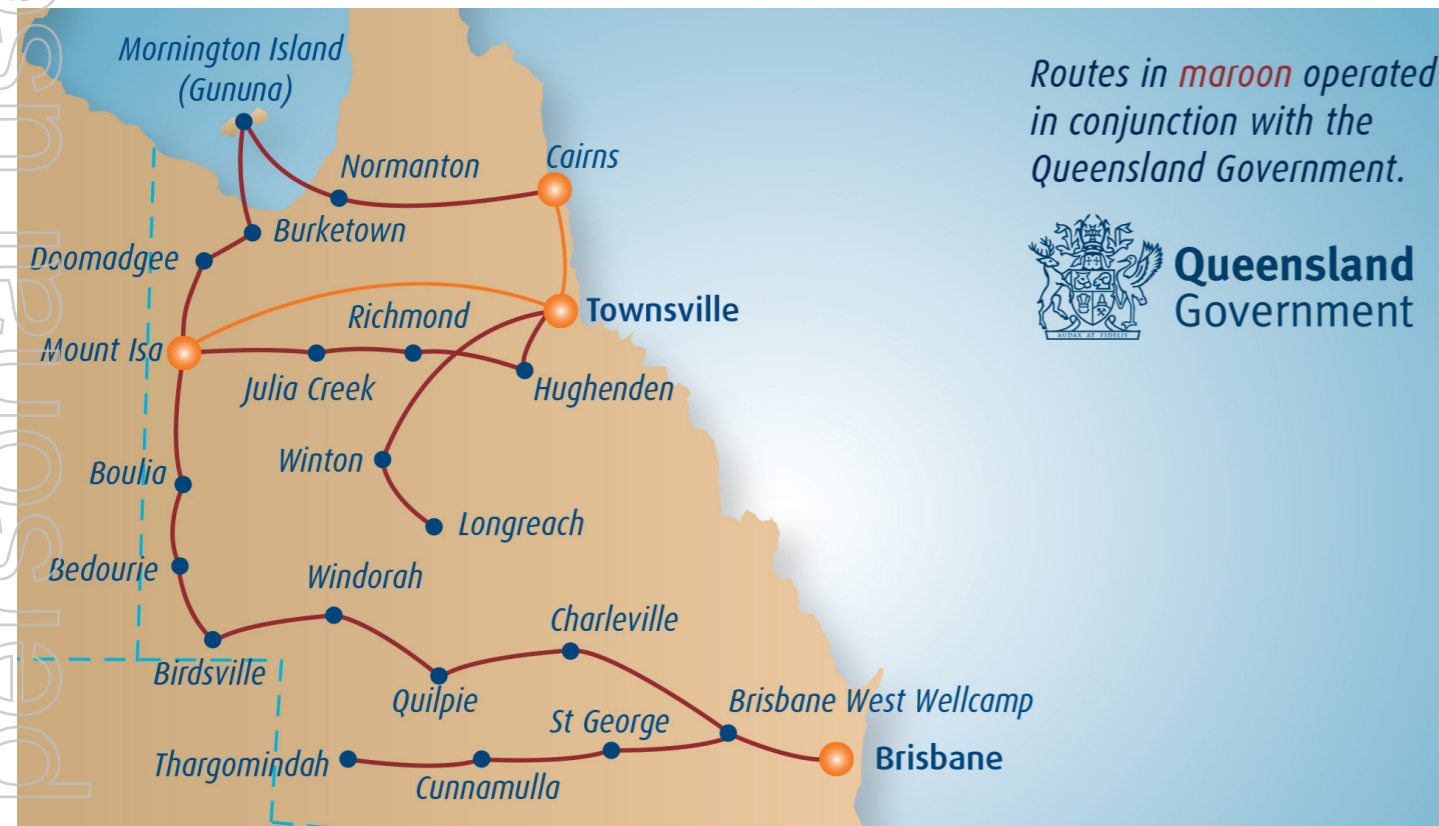
The network changes announced in September 2014 also saw Rex introduce a direct early morning flight from Broken Hill to Sydney and a corresponding direct evening return flight from Sydney to facilitate same-day return travel from Broken Hill to Sydney. The new direct services supplement two other existing services between Broken Hill and Sydney via Dubbo and Mildura. The new direct services between Broken Hill and Sydney remain under close review.

DIRECTORS' REPORT

On 15 October 2014 the Queensland Government awarded Rex all five regulated routes that Rex had applied for, following a thorough competitive tender evaluation process after tenders closed on 27 June 2014. The five regulated routes which commenced on 1 Jan 2015 are:

- **Northern 1 Route** from Townsville to Winton to Longreach and return;
- **Northern 2 Route** from Townsville to Hughenden to Richmond to Julia Creek to Mount Isa and return;
- **Gulf Route** from Cairns to Normanton to Gununa (Mornington Island) to Burketown to Doomadgee to Mount Isa and return;
- **Western 1 Route** from Brisbane to Toowoomba (Brisbane West Wellcamp) to St George to Cunnamulla to Thargomindah and return; and
- **Western 2 Route** from Brisbane to Toowoomba (Brisbane West Wellcamp) to Charleville to Quilpie to Windorah to Birdsville to Bedourie to Boulia to Mount Isa and return.

Rex held the previous regulated route contract for the Northern 1 and 2 routes since February 2010. From 1 January 2015, this saw the number of Queensland airports serviced by Rex increase from seven to 23 and increased Rex's total number of destinations across Australia from 36 to 52.



Rex's Queensland routes as at 3 January 2015.

On 31 October 2014, Rex announced the commencement of a new competitive Regular Passenger Transport (RPT) service between Cairns and Townsville with the new service commencing from 3 January 2015. The service augments the new Queensland regulated routes and the modest introduction of services between Townsville and Cairns will allow Rex to reposition aircraft and flight crews between Townsville and Cairns. Subject to the support of the Townsville and Cairns communities, Rex will look to increase services between Townsville and Cairns in FY 2016.

DIRECTORS' REPORT

FLEET CHANGES

There were no changes to the fleet in the period under review:

	SAAB 340A Owned	SAAB 340A Freighters Owned	SAAB 340B Owned	SAAB 340B+ Owned	Total Owned	Total Fleet
As at 31 Dec 14	1	3	22	25	51	51

COMMUNITY, ENVIRONMENT AND SERVICE STANDARDS

In the first half of FY 2015, Rex's On Time Departure rate of 88.4% was ranked the best of all the major carriers in Australia according to the Bureau of Infrastructure, Transport and Regional Development (BITRE). Rex's cancellation rate of 0.33% was also the lowest of all the major carriers in Australia. In comparison, Rex's major competitor QantasLink was ranked 4th with 86.1% On Time Departures, and had a cancellation rate of 1.93% that is almost 6 times higher than the Rex cancellation rate in the same period.

Rex continued to support various community events and charities across the network, contributing over \$100 thousand to many worthy causes, ranging from community fundraisers, local charities, cases of personal hardship and important community events.

Rex registered for the EEO (Energy Efficient Opportunities) programme on 11 November 2007 and has since embarked on various initiatives to reduce energy consumption, in turn reducing emissions.

Rex registered for the NGER (National Greenhouse and Energy Reporting) programme on 25 February 2009 and has since submitted NGER reports for FY 2009, FY 2010, FY 2011, FY 2012, FY 2013 and FY2014.

The first, second, third, fourth, fifth and sixth public reports on the initiatives undertaken by Rex in response to the Energy Efficient Opportunities programme have been submitted to the Department of Resources, Energy and Tourism and are available on the Rex website. The government's decision to repeal the Energy Efficiency Opportunities Regulations 2006 on 13 June 2014 removes reporting obligations for companies registered under the programme. In light of this, no further public reports are available.

In December 2014, Rex was voted by the *Australian Traveller* People's Choice Awards Survey as the 'Best Australian Regional Airline'. In 2014, the Awards' fourth year, over 2,500 readers nominated their all-time favourite travel-related experiences comprising over 30 categories. This is the third time Rex has won this award. In 2014 Rex took the top spot ahead of four other finalists. The *Australian Traveller* website posted:

'Traditionally, our two regional mainstays, QantasLink and Rex fight it out for this title, but this year Rex has a clean victory by a huge 44 per cent. Australia's largest independent airline has got to be happy with that.'



AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 9 of the half-year report.

DIRECTORS' REPORT

ROUNDING OFF OF AMOUNTS

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the Corporations Act 2001.

On behalf of the Directors



Neville Howell

Director

Sydney, 24 February 2015

AUDITOR'S INDEPENDENCE DECLARATION



Deloitte Touche Tohmatsu
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The Board of Directors
Regional Express Holdings Limited
81 – 83 Baxter Road
MASCOT NSW 2020

24 February 2015

Dear Board Members

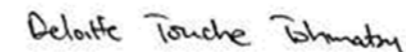
Regional Express Holdings Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Regional Express Holdings Limited.

As lead audit partner for the review of the financial statements of Regional Express Holdings Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



BJ Pollock
Partner
Chartered Accountants

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Independent Auditor's Review Report to the members of Regional Express Holdings Limited

We have reviewed the accompanying half-year financial report of Regional Express Holdings Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2014, and the condensed consolidated statement of profit and loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 12 to 20.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Regional Express Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditors Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Regional Express Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Regional Express Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

BJ Pollock

BJ Pollock
Partner
Chartered Accountants
Sydney, 24 February 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	HALF-YEAR ENDED	
	31 Dec 2014 \$'000	31 Dec 2013 \$'000
Passenger revenue	104,934	104,961
Freight revenue	408	379
Charter revenue	17,619	17,508
Other passenger services and amenities	1,253	1,272
Other revenue	5,615	5,167
Total revenue	129,829	129,287
Finance income	557	689
Other gains and losses	(1,118)	104
Flight and port operation costs (excluding fuel)	(21,477)	(24,328)
Fuel costs	(18,233)	(20,982)
Salaries and employee-related costs	(51,160)	(48,415)
Selling and marketing costs	(2,695)	(2,733)
Engineering and maintenance costs	(18,003)	(17,042)
Central administration costs and directors' salaries	(3,091)	(3,599)
Finance costs	(1,086)	(766)
Depreciation and amortisation	(8,027)	(7,211)
Total costs and expenses	(123,772)	(125,076)
Profit before income tax	5,496	5,004
Income tax expense	(1,551)	(1,382)
Profit after tax	3,945	3,622
Total comprehensive income	3,945	3,622
Earnings per share (cents per share)		
Basic	3.60	3.30
Diluted	3.60	3.30

Notes to the financial statements are included on pages 16 to 19.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Note	CONSOLIDATED	
	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Current assets		
Cash and bank balances	22,055	21,967
Trade and other receivables	11,833	17,286
Inventories	19,643	19,372
Total current assets	53,531	58,625
Non-current assets		
Other receivables	7,575	7,937
Available for sale investments carried at fair value – shares	10	10
Property, plant and equipment		
Aircraft	129,634	134,079
Other property, plant and equipment	80,238	80,461
Goodwill and intangible assets	7,975	8,113
Total non-current assets	225,432	230,600
Total assets	278,963	289,225
Current liabilities		
Trade and other payables	22,548	26,029
Unearned revenue	13,446	18,753
Borrowings	8,924	8,648
Current tax payable	48	237
Provisions	5,587	6,934
Other liabilities	77	201
Total current liabilities	50,630	60,802
Non-current liabilities		
Borrowings	30,906	35,429
Provisions	1,703	2,615
Deferred tax liabilities	3,223	1,278
Total non-current liabilities	35,832	39,322
Total liabilities	86,462	100,124
Net assets	192,501	189,101
Equity		
Issued capital	5 72,024	72,024
Reserved shares	5 (1,464)	(1,182)
Retained earnings	119,825	115,880
Share-based payments reserve	526	789
Other reserves	1,590	1,590
Total equity	192,501	189,101

Notes to the financial statements are included on pages 16 to 19.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	HALF-YEAR ENDED	
	31 Dec 2014 \$'000	31 Dec 2013 \$'000
Receipts from customers	145,390	137,192
Payments to suppliers, employees and others	(134,219)	(134,103)
Interest paid	(1,656)	(1,132)
Income tax paid	(1,473)	(683)
Net cash flows from operating activities	8,042	1,274
Interest received	557	689
Proceeds from disposal of property, plant and equipment	1,401	-
Payments for property, plant and equipment - aircraft and other	(4,584)	(19,307)
Payments for property, plant and equipment - software	(43)	(147)
Net cash flows used in investing activities	(2,669)	(18,765)
New shares issued	-	65
Shares purchased as reserve shares	(1,038)	(65)
Salary sacrifice - payment for shares	-	3
Repayment of borrowings - non-related parties	(4,247)	(1,082)
Net cash flows used in financing activities	(5,285)	(1,079)
Net increase / (decrease) in cash held	88	(18,570)
Cash at the beginning of the period	21,967	44,155
Cash at the end of the period	22,055	25,585

Notes to the financial statements are included on pages 16 to 19.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Attributable to equity holders of the Company					
	Issued capital \$'000	Reserved shares \$'000	Retained earnings \$'000	Share-based payments reserve \$'000	General reserve \$'000	Total equity \$'000
At 1 July 2013	71,959	(1,439)	108,155	676	1,590	180,941
Profit for the period	-	-	3,622	-	-	3,622
Other comprehensive income (net of tax)	-	-	-	-	-	-
Total comprehensive income	-	-	3,622	-	-	3,622
New shares issued	65	-	-	-	-	65
Shares purchased as reserve shares	-	(65)	-	-	-	(65)
Share gift issued - gift	-	731	-	(628)	-	103
Share gift issued - salary sacrifice	-	3	-	-	-	3
Share gift plan provision	-	-	-	372	-	372
At 31 December 2013	72,024	(770)	111,777	420	1,590	185,041
At 1 July 2014	72,024	(1,182)	115,880	789	1,590	189,101
Profit for the period	-	-	3,945	-	-	3,945
Other comprehensive income (net of tax)	-	-	-	-	-	-
Total comprehensive income	-	-	3,945	-	-	3,945
Shares purchased as reserve shares	-	(1,038)	-	-	-	(1,038)
Share gift issued - gift	-	756	-	(642)	-	114
Share gift plan provision	-	-	-	379	-	379
At 31 December 2014	72,024	(1,464)	119,825	526	1,590	192,501

Notes to the financial statements are included on pages 16 to 19.

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the new and revised Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 - Recoverable Amount Disclosures for Non- Financial Assets'
- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'
- AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- AASB 2013-9 'Amendments to Australian Accounting Standards – Part B 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
 - o Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
 - o Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'
 - o Part C: 'Materiality'
- Interpretation 21 'Levies'

Adoption of the above standards had no material impact on the financial statements.

2. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is more specifically focused on the category of customer for each type of service. The Group's reportable segments under AASB 8 are therefore as follows:

- Regular public transport
- Charter
- Training

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the period under review:

	REVENUE HALF-YEAR ENDED		SEGMENT RESULT HALF-YEAR ENDED	
	31 Dec 2014 \$'000	31 Dec 2013 \$'000	31 Dec 2014 \$'000	31 Dec 2013 \$'000
Continuing operations				
Regular public transport	110,736	109,384	9,994	7,304
Charter	18,004	17,815	1,177	1,457
Training	1,089	2,088	(937)	(185)
	129,829	129,287	10,234	8,576
Finance income			557	689
Other gains and losses			(1,118)	104
Central administration costs and directors' salaries			(3,091)	(3,599)
Finance costs			(1,086)	(766)
Profit before tax			5,496	5,004
Income tax expense			(1,551)	(1,382)
Consolidated segment revenue and profit	129,829	129,287	3,945	3,622

The revenue reported above represents revenue generated from external customers.

Segment result represents the profit of each segment without allocation of central administration costs and directors' salaries. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following is an analysis of the Group's assets by reportable operating segment as at the end of the period:

	Assets		Liabilities	
	31 Dec 2014 \$'000	30 Jun 2014 \$'000	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Continuing operations				
Regular public transport	189,065	194,275	33,261	46,177
Charter	82,269	86,917	43,374	44,396
Training	7,629	8,033	9,827	9,551
Total	278,963	289,225	86,462	100,124

3. BORROWINGS

During the period, the Group repaid bank loans to the amount of \$4,247 thousand (2013: \$1,082 thousand). These were made in-line with previously disclosed repayment terms.

4. DIVIDENDS

During the period, Regional Express Holdings Ltd did not pay dividend payments as previously disclosed.

5. ISSUED CAPITAL

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Ordinary shares		
Issued and fully paid	72,024	71,959
New shares issued	-	65
	72,024	72,024
Reserved shares	(1,464)	(1,182)
	No. '000	No. '000
Issued and fully paid	110,155	110,155
Reserved shares	772	551

6. ISSUANCES, REPURCHASES AND REPAYMENTS OF EQUITY SECURITIES

Under the Employee Share Gift Scheme, 1,211 thousand shares were purchased as reserved shares (2013: nil), 990 thousand shares were issued to employees (2013: 681 thousand), and no new shares were issued (2013: 65 thousand).

During FY2008, the Group executed a publicly announced share buy-back programme. All shares purchased under the programme are cancelled. During the current reporting period, no shares were bought back.

There were no other movements in the issued and fully paid share capital of the Company in the current reporting period.

7. KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report. In addition, during the interim period, a cash bonus amounting to \$310 thousand was recommended by the Nomination and Remuneration Committee to be paid to key management personnel.

8. CONTINGENCIES AND COMMITMENTS

Regional Express Holdings Limited is currently in discussions with the Australian Taxation Office (ATO) on the application of the interim rules relating to the rights to future income (RTFI) refund of \$1,084 thousand received in respect of the Australian Defence Force Contract pertaining to the 2007 and 2008 financial years.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. SUBSEQUENT EVENTS

In January 2015, the Group committed to purchase a Saab 340 B-plus aircraft at the end of January 2015.

Other than the above, there has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303 (5) of the Corporations Act 2001.

On behalf of the Directors



Neville Howell

Director

Sydney, 24 February 2015

REX GROUP OF COMPANIES:



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