



REX AGM 2010



“AGAINST ALL ODDS”



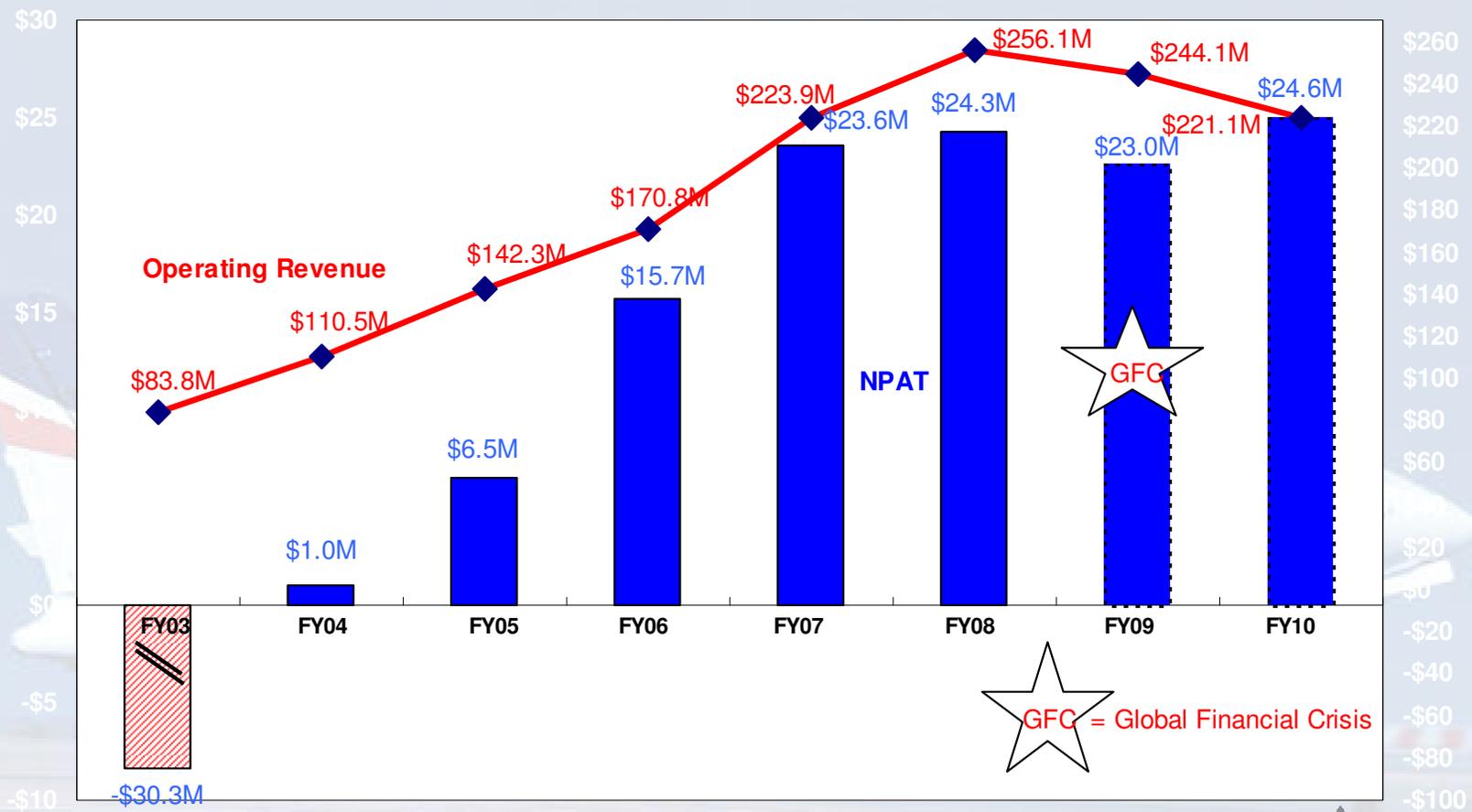
PERFORMANCE

- ✈ Record Net Profit After Tax of \$24.6m
- ✈ Total Revenue reduced by 8.5% to \$229.7m
- ✈ Passenger numbers declined by 5.0% to 1.24m



REX GROUP FINANCIALS

Rex Group Revenue and PAT Evolution

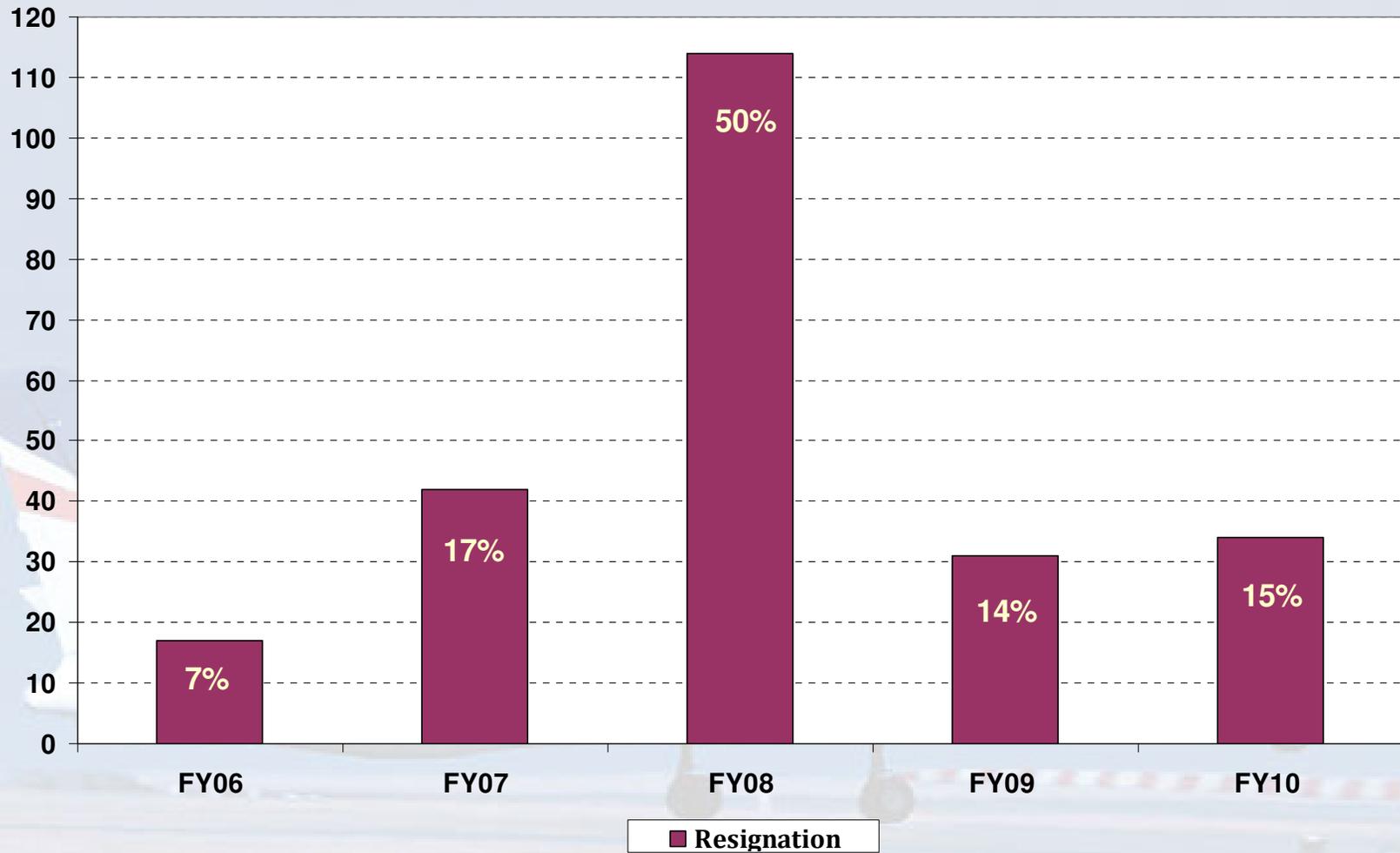


PILOT SITUATION

- ✈️ Resignation rates remained low
- ✈️ Cadet Programme enabled surplus pilot numbers
- ✈️ 0.2% cancellation rate, the lowest in Australia and consistent with past levels before the pilot crisis of 07/08



REX PILOT ATTRITION



NETWORK CHANGES

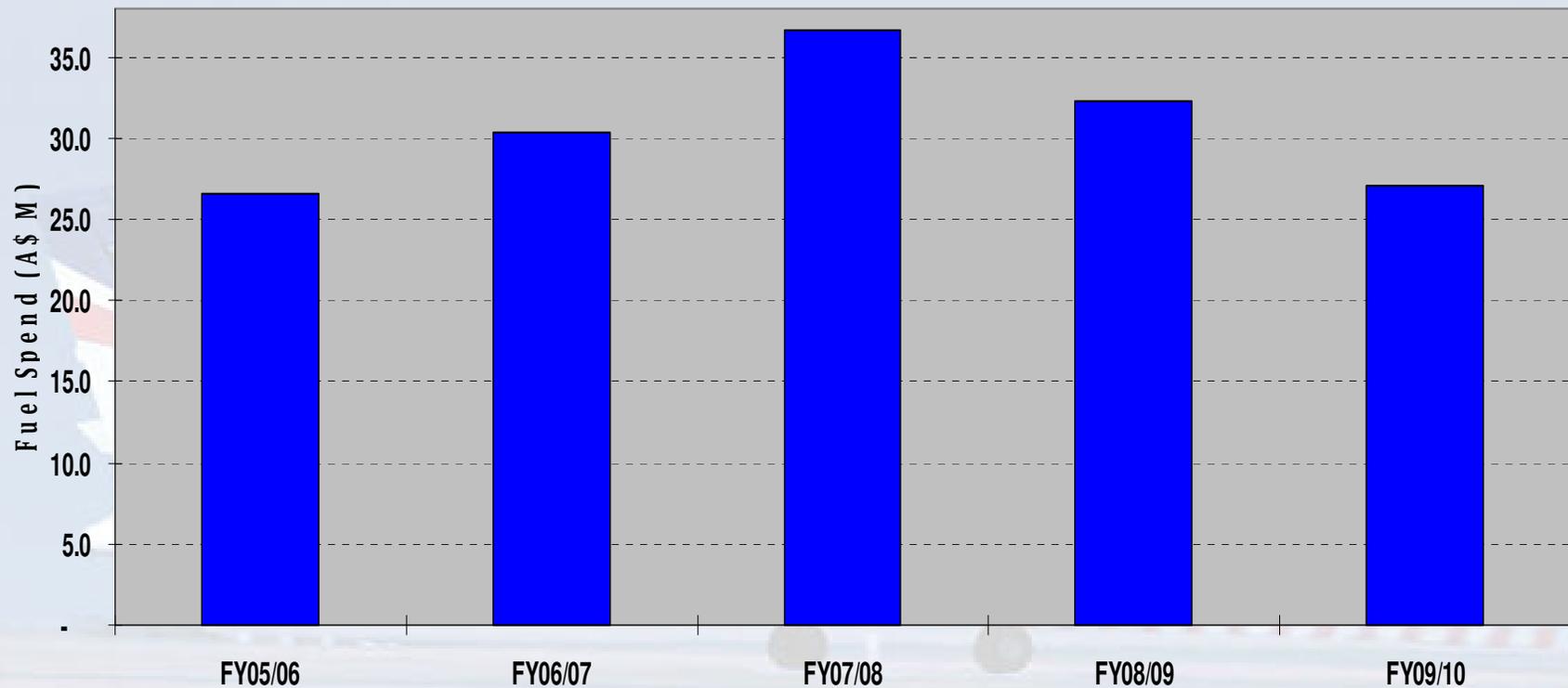
- ✈ Resumed Griffith – Melbourne in Q2
- ✈ Q2 started Townsville - Mackay in competition with QantasLink
- ✈ Exit of Townsville – Mackay in Jan 2010 due to QantasLink predatory pricing
- ✈ Q3 commenced Northern 1 & 2 QLD Gov subsidised routes
- ✈ Commenced Townsville – Mount Isa direct service in Feb 2010



FUEL

20% lower fuel prices compared to previous FY

Fuel Spend FY0506 - FY0910



INDUSTRY RECOGNITION

**CHOICE
MAGAZINE
AIRLINE
SURVEY**

1 st	1 st	2 nd	2 nd
2005	2007	2009	2010

Best Under A Billion Forbes Asia **2009**

ATW 2010
Air Transport World
Regional Airline of the Year

AVIATION WEEK
Top Performing Regional Airline 2009

Roy Morgan
Research
Airline Satisfaction Report 1ST 2010



CAPITAL EXPENDITURE

- ✈ Completed \$21m pilot academy (AAPA) based in Wagga Wagga
- ✈ Acquired 4 Kingairs for \$29m (bank financed)
- ✈ Acquired a \$1.4m warehouse next to the Rex HQ
- ✈ Purchased a \$1.2m house next to Rex HQ
- ✈ Share Buy Back of 494k shares (\$377k)
- ✈ \$10m of investment brought forward to benefit from Government's Investment Allowance scheme

FLEET

- ✈️ Rex took delivery of last 8 Saab 340B+ leased aircraft
- ✈️ AAPA took delivery of 8 new Piper Warrior and 2 new twin engine Piper Seminole aircraft
- ✈️ Pel-Air took delivery of 4 new Beechcraft Kingair B200 C aircraft for AV project
- ✈️ No disposal of aircraft in the period



TENDER UPDATE

Tenders Won

- Fly in/Fly out contract with Iluka Resources
- Cwlth Air Transport Deed of Standing Offer
- QLD regulated and subsidised N1 & N2 routes
- Air Ambulance Victoria
- Whole of Australian Gov travel
- Victorian Gov tender for the provision of Domestic/Regional Air services



TENDER UPDATE

Tenders Pending

- ✈ NT aero medical service
- ✈ Air Defence Target System (JP66)



OUR SUBSIDIARIES

Pel-Air

- ➔ Reduced jet medivac operations
- ➔ Fly in/fly out business continued to grow in line with resource strength
- ➔ Stationed 1 A model Saab in QLD to capture growth opportunities in the resources industry



OUR SUBSIDIARIES

Air Link

- ✈ Continued developing charter service and growing 3rd party aircraft maintenance business
- ✈ Commenced FIFO operation out of Townsville with B1900



OUR SUBSIDIARIES

AAPA

- ✈ Received occupancy cert in Jan 2010
- ✈ Attained RTO and CRICOS accreditation in Q3 – ready to accept overseas students
- ✈ 35 cadets from intakes 1 & 2 graduated whilst 29 were under training
- ✈ Campus officially opened on 27 May 2010 by Minister Anthony Albanese



OUR SUBSIDIARIES



REX IN THE COMMUNITY



Moruya City Mayor Fergus Thomson, President of Moruya Jazz Festival
Roger Bayley & Rex Ambassador Max Kingston leading the parade



REX IN THE COMMUNITY

✈ Rex donated in excess of A\$ 100,000 to various charitable causes in FY0910:

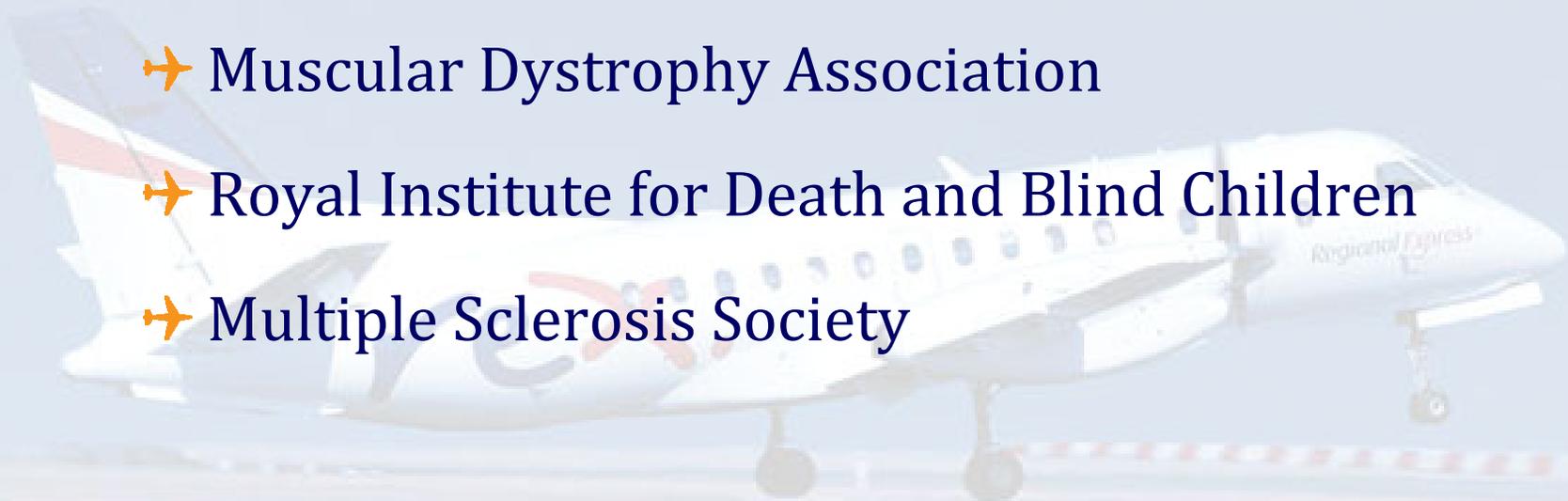
✈ Country Hope in the Riverina

✈ Dragon Abreast Orange

✈ Muscular Dystrophy Association

✈ Royal Institute for Deaf and Blind Children

✈ Multiple Sclerosis Society



DIVIDEND

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

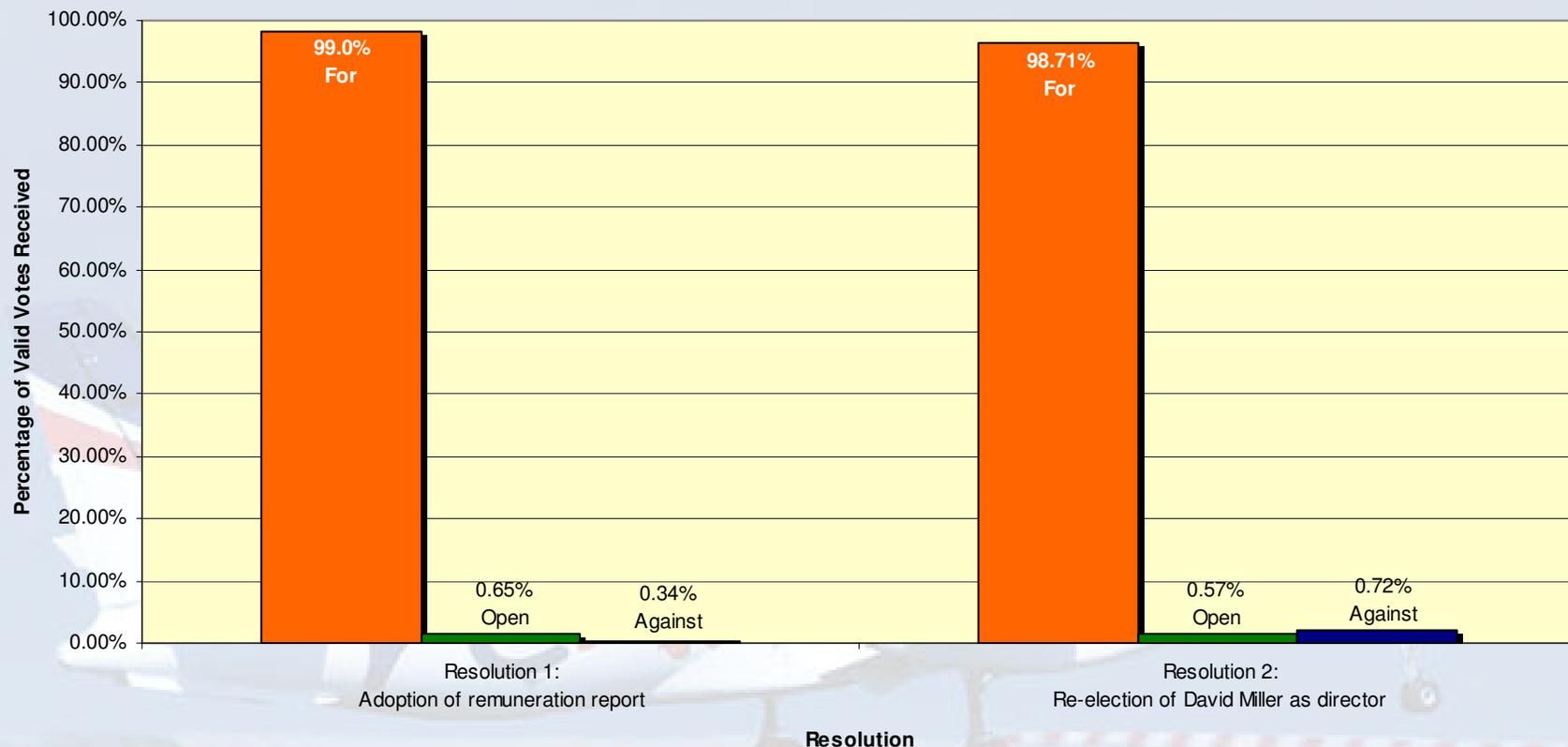


THANK YOU



PROXY SUMMARY

AGM 2010 Proxy Results



Resolution

■ FOR ■ OPEN ■ AGAINST

