



CLEARER SKIES
AHEAD

2017
ANNUAL GENERAL
MEETING



AGENDA

- ✈ PERFORMANCE
- ✈ GROUP OPERATIONAL REVIEW
- ✈ OUTLOOK & PROFIT FORECAST
- ✈ DIVIDEND



PERFORMANCE FY 16/17

Operational PBT quadrupled to \$17.8M

- Modest recovery in passenger numbers (3%) and yield (3%) across Rex's traditional network bringing \$7M additional revenue
- Additional 8 months of contribution from WA routes
- Fuel cost reduction of over \$6M from lower fuel price
- Slight improvement in FX rate for AUD

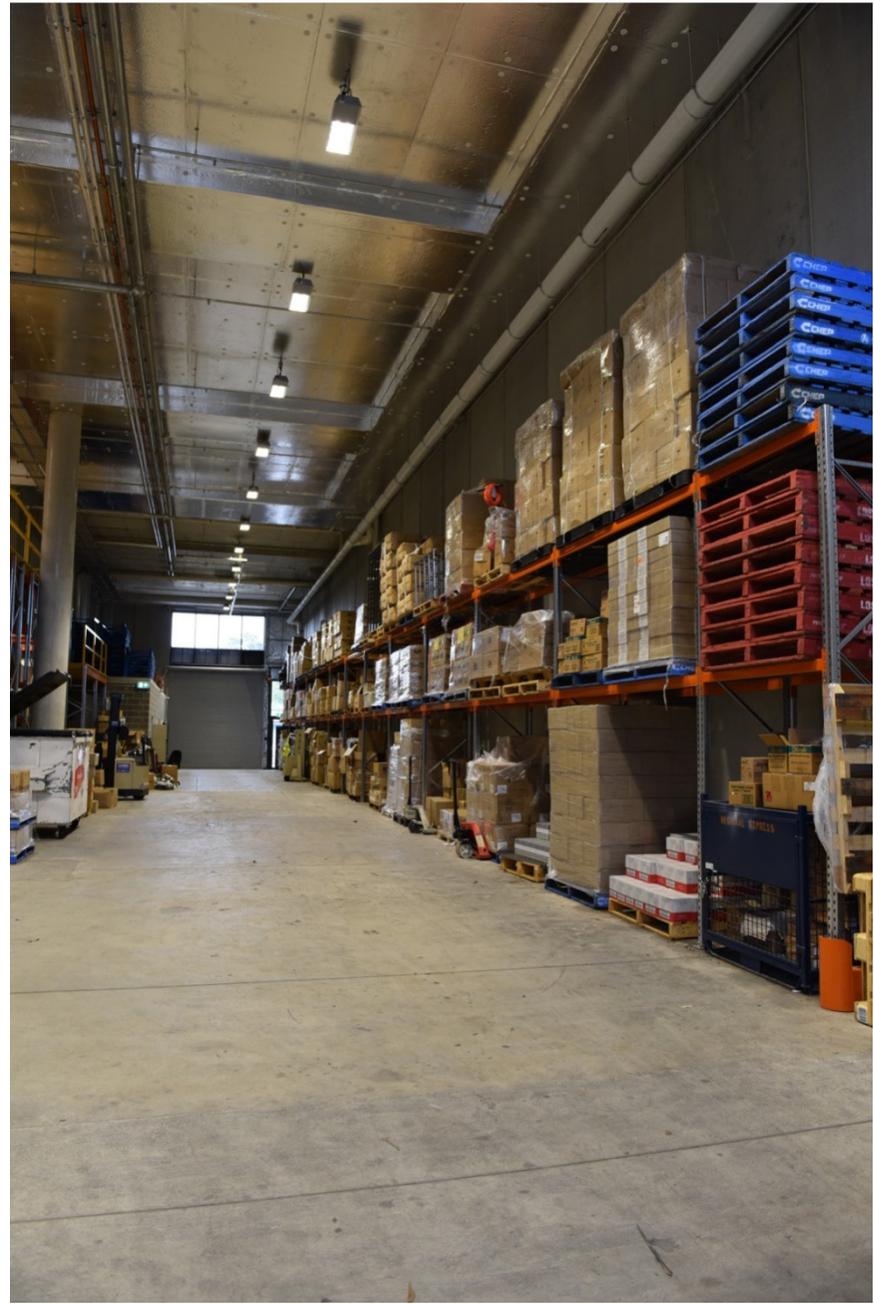


GROUP OPERATIONAL REVIEW

Rex

- ✈ Aug-16 Pilot EBA ratified
- ✈ Oct-16 Expanded Cairns to Bamaga service
- ✈ Oct-16 Commenced operations in new Sydney warehouse





New Sydney Warehouse, Baxter Road entrance & Interior

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- ✈ Jan-17 Acquisition of aircraft paint hangar in Wagga Wagga





Wagga Wagga Paint Hangar with 1 of only 2 flying Lockheed C-121C Super Constellations in the world being prepared for painting

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- Jan-17 Acquisition of aircraft paint hangar in Wagga Wagga
- First full Financial Year of operations in Western Australia



GROUP OPERATIONAL REVIEW

Pel-Air

- Jan-17 Sold all four Learjets from the Defence contract
- Full FY medivac operation from Singapore



GROUP OPERATIONAL REVIEW

AAPA

- ✈ First Graduation of Vietnamese cadets, 18 enrolled FY17





The Hon. Julie Bishop MP and the Hon. Michael McCormack MP, with the first group of VFT graduates at AAPA together with dignitaries from Vietnam

GROUP OPERATIONAL REVIEW

AAPA

- First Graduation of Vietnamese cadets, 18 enrolled FY17
- 16 AAPA cadets inducted as First Officers (FO) into Rex FY17
- 37 AAPA FOs upgraded to Captains in FY17



GROUP OPERATIONAL REVIEW

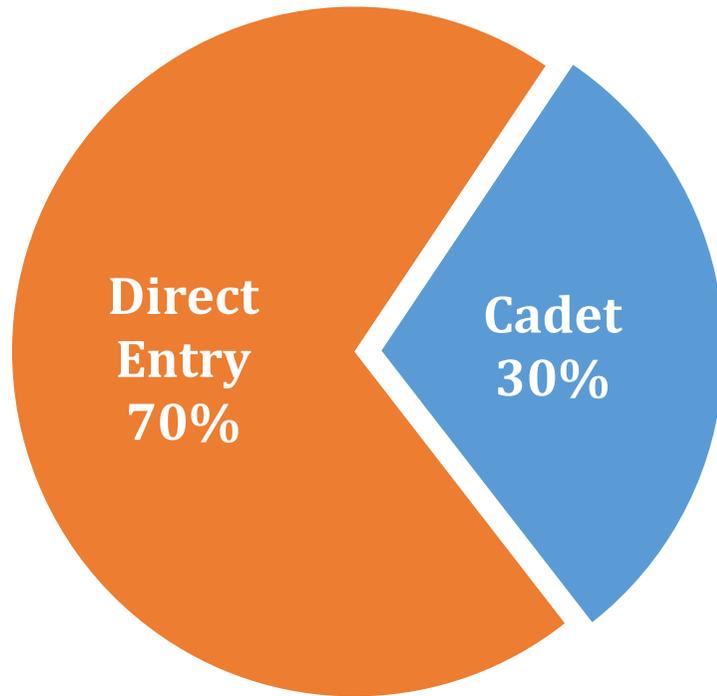
Airline Reliability Index

Airline	On Time Departure					Cancellation Rate (%)				
	FY17	FY16	FY15	FY14	FY13	FY17	FY16	FY15	FY14	FY13
	2 nd	1 st	1 st	1 st	1 st	0.8%	0.5%	0.3%	0.5%	0.7%
	3 rd	2 nd	3 rd	3 rd	3 rd	2.6%	2.6%	2.1%	2.5%	2.5%
	1 st	3 rd	2 nd	2 nd	2 nd	1.5%	2.0%	1.4%	1.3%	2.4%

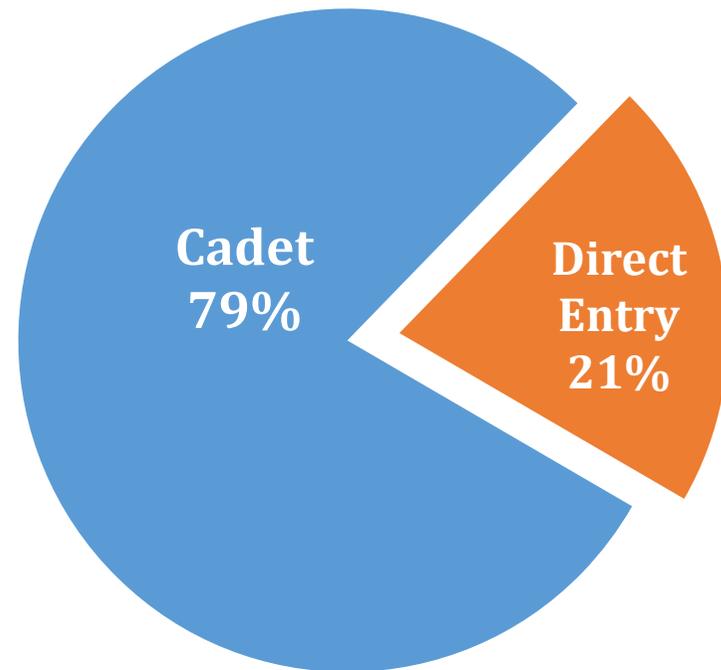


REX CADET CPT & FO POPULATION

Captain Population



FO Population



REX IN THE COMMUNITY

Donated over \$330K to regional relief and charitable causes:

- Bedourie Splash 'n' Arts Camp
- Heart of Australia
- Birdsville Big Red Bash
- Taste Great Southern
- NSW Regional Woman of the Year Award
- Ballina Food and Wine Festival
- Peak Festival
- Parkes Elvis Festival
- Julia Creek Dirt n Dust Festival

REX IN THE COMMUNITY

Bravehearts Cairns Education Trip



Ditto with school children at Doomadgee State School



Ditto disembarks his Rex flight in Normanton

SUBSEQUENT EVENTS

- Commenced Adelaide - Port Augusta regulated route
- 21 Vietnamese cadets started in AAPA
- Pel-Air secured FIFO contracts with Iluka and Cobham
- Acquired one Saab340B Aircraft for increased work
- Fuel hedged till Nov 2017 bringing \$1M savings
- Rex named Asia Pacific regional airline of the year 2017
(4th award in last 10 years)





CAPA Executive Chairman Mr Peter Harbison presenting the award to Rex Executive Chairman Mr Lim Kim Hai.

TENDERS

The Rex Group participating in the following tenders:

- ✈️ WA Gov tender for regulated air services between Perth and Carnarvon / Monkey Mia to commence 2 July 2018
- ✈️ Victoria Police tender for air surveillance aircraft to commence operations on January 2019
- ✈️ ADF tender for fast jet support capability to commence operations in 3Q 2019



OUTLOOK

Headwinds

- ✈️ AUD could revert to dovish if US raises rate aggressively
- ✈️ Protectionist measures by USA could provoke a trade war and stifle global economic growth
- ✈️ North Korea situation could easily spiral out of control



OUTLOOK

Tailwinds

- ✈ Pax nos. in first 4 months of FY 18 continue trend of modest recovery (+4% yoy)
- ✈ Fuel price expected to be range bound
- ✈ Mining FIFO appears to be firming
- ✈ Enrolments at AAPA expected to grow



PROFIT FORECAST

- ➔ Australian economy expected to continue on its modest recovery and will translate to a similar growth in Rex's passenger numbers.
- ➔ Unaudited accounts of the first trimester indicate a PBT increase of 60% over the prior period.
- ➔ Full year PBT expected to exceed prior FY by over 20%.



DIVIDEND

- Final dividend paid on FY17 at 10c per share fully franked
- The Board notes that there are no major capital expenditure forecast for FY18
- The Board reaffirms its commitment to a healthy dividend payout ratio if the Group achieves its profit target in FY18



Q & A

**END OF
PRESENTATION**

THANK YOU



PROXY SUMMARY

