



31 December 2005

HALF YEAR FINANCIAL REPORT



rex.
Regional Express

GROUP COMPANY OFFICIALS



Lim Kim Hai, *Executive Chairman*



The Hon. John Sharp, *Deputy Chairman*



Geoff Breust, *Managing Director -
Corporate Affairs & Strategy*



Jim Davis,
Managing Director - Operations



David Miller,
Chief Executive Officer, Air Link



Keith Johnson,
Chief Executive Officer, Pel-Air



Russell Hodge, *Director*



Alan Chenery, *Director, Pel-Air*



REX COMPANY OFFICIALS



Robert Winnel, *Director*



Kelly Irvine,
Chief Financial Controller



Lindsay Tanner,
General Manager - Engineering Services



Nick Gooneratne,
*General Manager - Engineering Control/
Maintenance Controller*



Warrick Lodge,
General Manager – Network Strategy



Chris Hine,
*General Manager – Flight Operations/
Chief Pilot*

GROUP STRUCTURE



GROUP OPERATIONAL HIGHLIGHTS

- ✈ Acquisition of 50% of Pel-Air Aviation on 1 July 2005 and 100% of Air Link on 30 November 2005
- ✈ IPO completed 9 November 2005
- ✈ Withdrawal from poorly performing Devonport
- ✈ Expansion of services in Adelaide following withdrawal of ASA
- ✈ Introduction of performance based remuneration system. Accepted by 3 of the EBA groups



PEL-AIR OVERVIEW



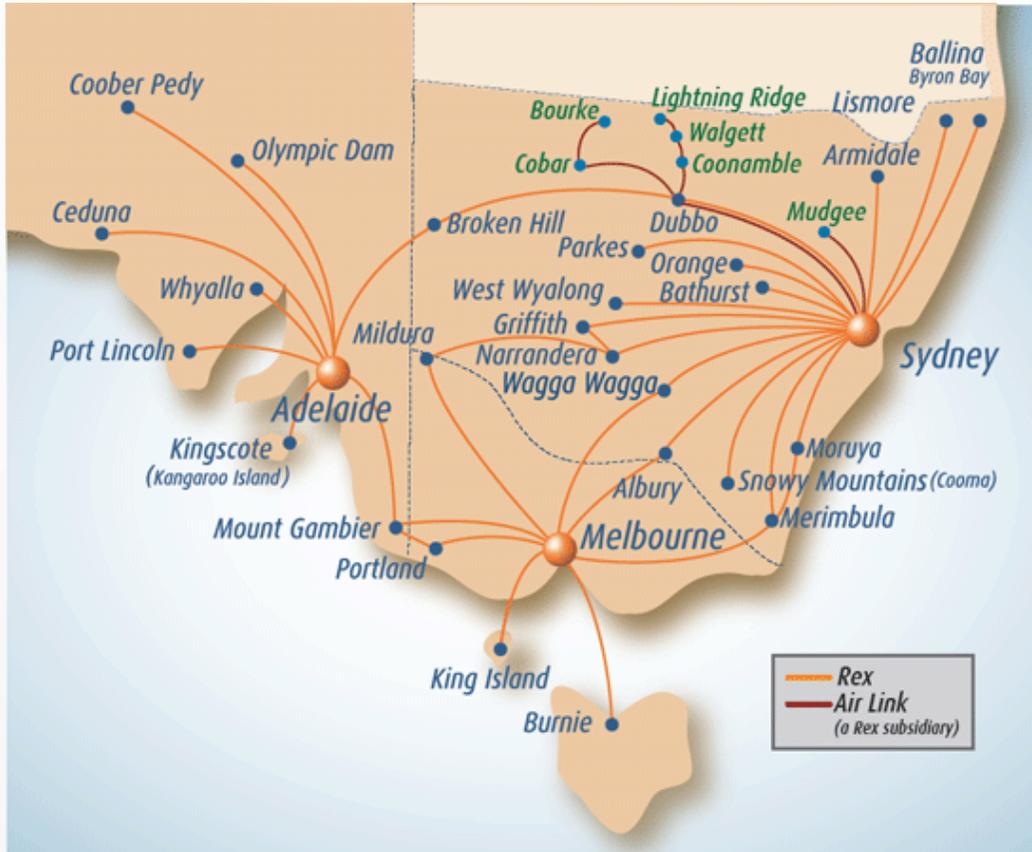
- 50% profit attributable to Rex
- 25% increase in PBT
- Strong cost control
- Expect to achieve annual budget

6 months to 31 Dec	1H06	1H05	Change
Sales Revenue (\$)	15,917,000	15,472,000	+2.9%
Profit Before Tax (\$)	2,720,000	2,162,000	+25.8%
NPAT (\$)	1,904,000	1,346,000	+41.5%
Aircraft Hours	7,863	7,928	-0.8%



OVERVIEW

- ✈ Acquired on 30 Nov 05
- ✈ Rationalised services on Sydney-Dubbo route
- ✈ Synergies



rex
Regional Express



OVERVIEW

6 months to 31 Dec	1H06	1H05	Change
Passengers	584,000	528,000	+11%
ASKs (M)	339	306	+11%
Average Fare (\$)	122	116	+5%
(Excl. fuel effect)	(103)	(108)	(-5%)
Average Fleet Size	29	27	+7%
Load Factor (%)	66.3	65.6	+1%
Revenue / ASK (c)	23.0	21.5	+7%
Total cost/ASK (c)	19.1	20.2	-5%
(Excl. fuel effect)	(18.1)	(20.0)	(-10%)
Staff (FTEs)	605	594	+2%

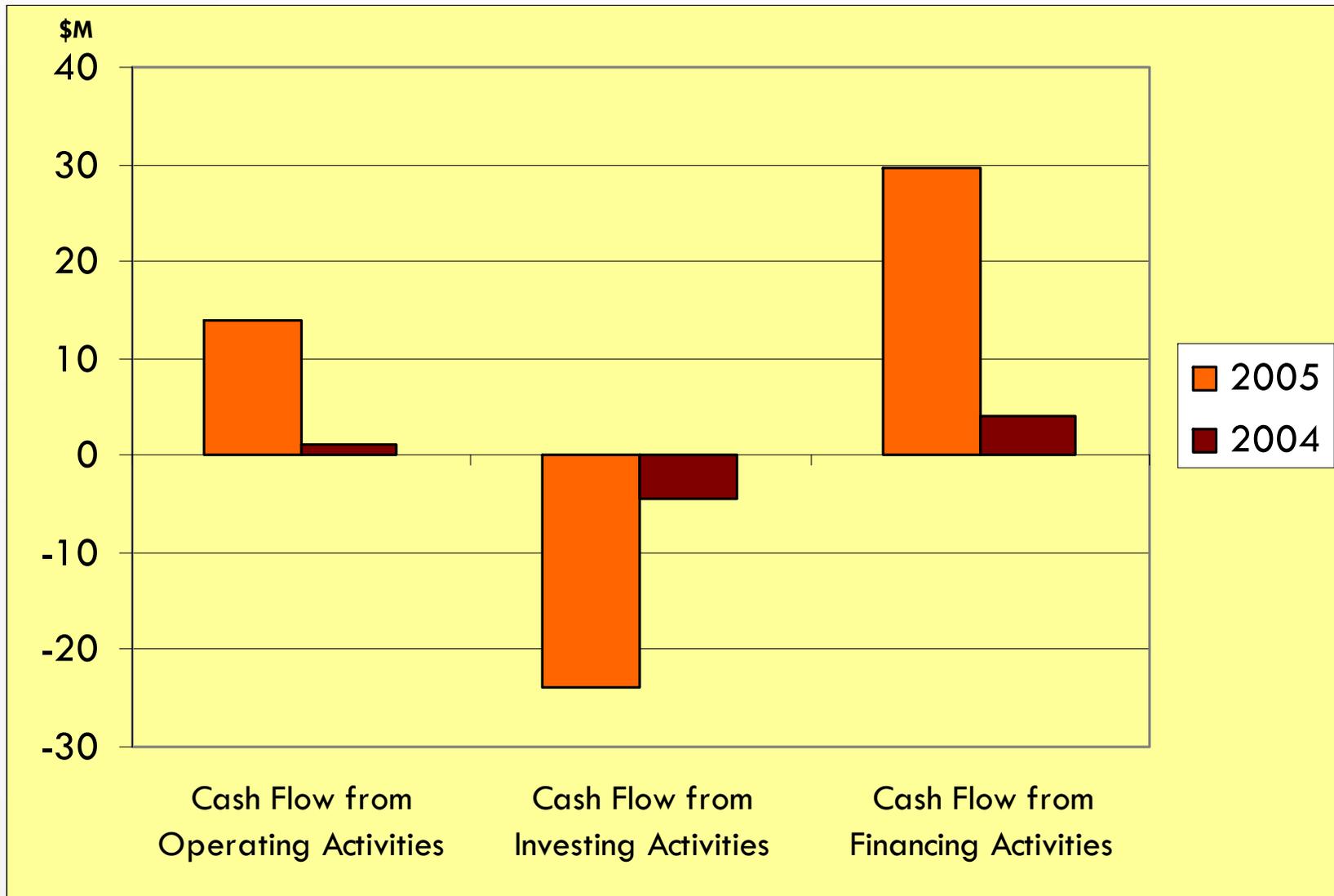
GROUP FINANCIAL
HIGHLIGHTS

6 months to 31 Dec	1H06 \$M	1H05 \$M	Change
Passenger Revenue	74.2	63.7	+16%
Total Revenue	75.0	64.5	+16%
Total Revenue & Other Income	77.9	65.8	+18%
EBITDAR	17.4	8.5	+105%
PBT	13.2	3.9	+238%
NPAT	9.3	2.7	+244%
Earnings Per Share	10.0c	5.0c	+100%

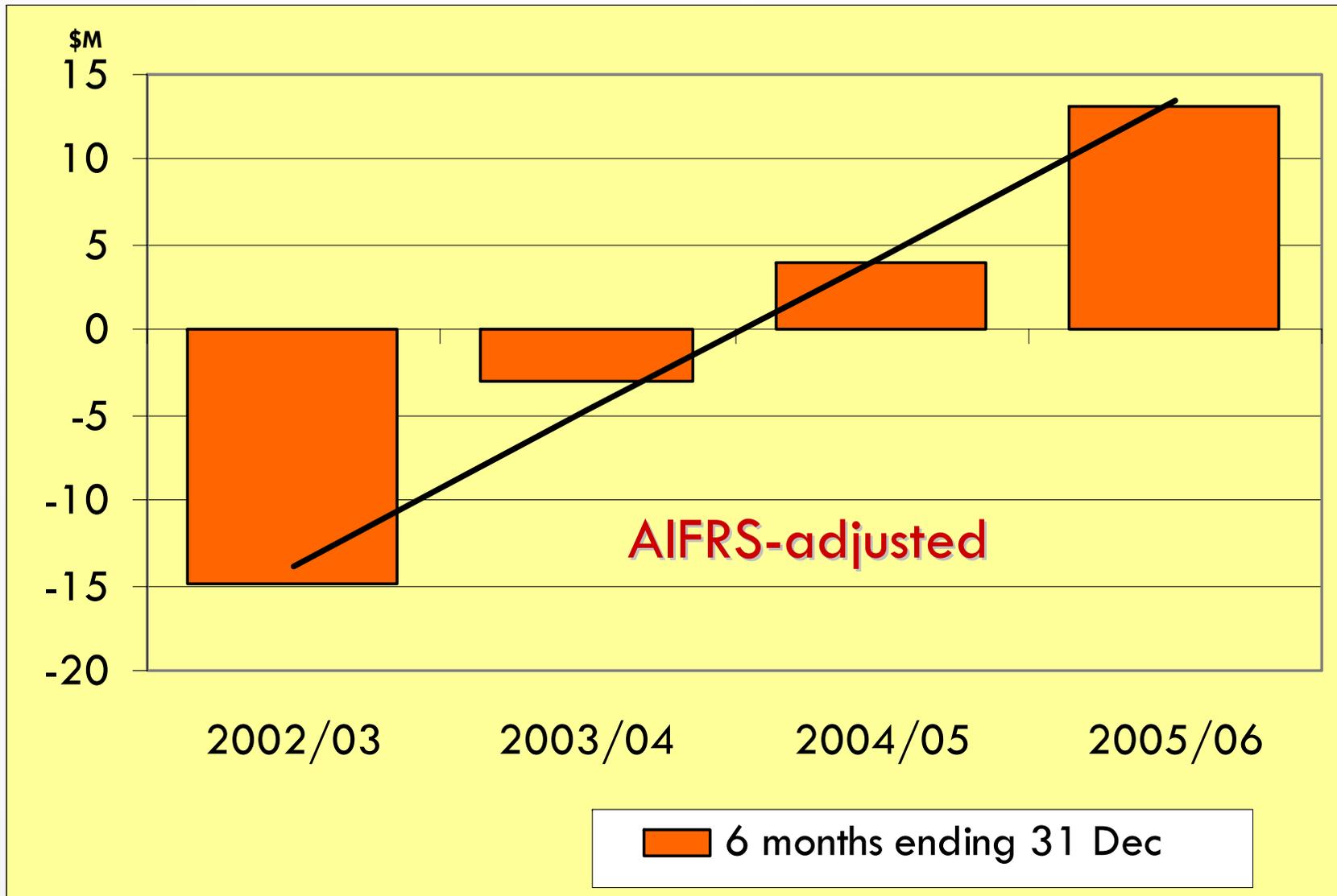
GROUP BALANCE SHEET

As at 31 Dec 05	31 Dec 05 \$M	30 Jun 05 \$M	Change
Cash	24.3	4.5	+440%
Debt	4.6	4.7	-2.0%
Total Assets	94.6	55.2	+71%
Net Assets	65.0	22.4	+190%
Working Capital	12.7	(7.3)	+174%
Issued Share Capital	69.6	36.6	+90%
Debt/Equity	7%	21%	-14%

GROUP FIRST HALF-YEAR CASH FLOW



GROUP 6-MONTH EARNINGS TREND



AIRLINES

ESTIMATED COMPARATIVE PERFORMANCE

	 6 months to 31 Dec 05 (A\$)	 Half yearly ended 30 Sep 05 (S\$)	 Half yearly ended 31 Dec 05 (US\$)	 6 months to 31 Dec 05 (A\$)	 Half yearly ended 30 Sep 05 (A\$)	 (preliminary) (A\$)
Revenue	78	6,394	4,266	6,847	874	38
EBITDAR	17	1,560	838	1,242	153	-
EBIT	13	777	518	511	47	-
PBT	13	771	504	483	45	1
Net Earnings (NPAT)	9	612	283	353	30	0.7
Revenue Margin (PBT/Revenue)	17%	12%	12%	7%	5%	3%
Annualised Asset Margin*	34%	6%	8%	6%	3%	5%¹
Debt/Equity	7%	18%	30%	75%	106%	-

*Annualised Asset Margin = Annualised EBIT/average assets over current and previous year ¹ Figure from financial year 2005

FUTURE OUTLOOK

- ✈ Further fleet additions/rationalisation
- ✈ Network Capacity Increase
- ✈ Extract synergies from recent acquisitions
- ✈ On target to meet prospectus forecast

Question & Answer Session