

ANNOUNCEMENT  
HALF YEAR RESULTS  
FOR FY11/12

12



# AGENDA

- ✈ **CONSOLIDATED INCOME STATEMENT REVIEW**
- ✈ **KEY PERFORMANCE INDICATORS**
- ✈ **OPERATIONAL REVIEW**
- ✈ **OUTLOOK**



# CONSOLIDATED INCOME STATEMENT REVIEW

	1H FY12 (\$M)	1H FY11 (\$M)
Passenger Revenue	110.5	102.5
Total Revenue	139.1	119.1
Fuel Cost	19.3	16.0
Other Costs & Expenses	102.4	93.0
Profit before Tax	18.5	12.2
Earnings per share	12.0c	7.9c



# KEY PERFORMANCE INDICATORS









	1H FY12	1H FY11
Passengers	608,499	632,777
ASKs (M)	384M	389M
Average Fare (\$)	181.6	162.0
Load Factor	60.1%	61.2%
Pax Revenue/ASK (cents)	28.8	26.3
Pax Cost / ASK (cents) (excl. fuel)	27.3 (22.6)	25.2 (21.4)
Fuel % Total Cost	15.9%	14.7%





# KEY PERFORMANCE INDICATORS

## ON TIME PERFORMANCE

Airline	Cancellation Rate (%)	Ranking	2011 On Time Departure (%)	Ranking
 Rex Regional Express	0.4	1	84.9	1
 QANTASLINK	2.0	6	79.5	5
 QANTAS	2.3	7	83.0	2
 Jetstar	1.8	4	76.8	6
 Virgin australia	1.8	4	81.0	4
 Virgin australia ATR Operations	1.6	3	68.5	8
 Skywest	0.4	1	82.2	3
 tigerairways	4.1	8	71.3	7

\* Source: BITRE

Rex achieved the best On Time departures in 2011, repeating its performance in 2010 according to the Bureau of Infrastructure, Transport and Regional Economics (BITRE).

Rex's cancellation rate of 0.4% was impacted by the Chilean volcanic ash cloud in June 2011. Not taking into account the June cancellations, Rex would have achieved a 0.2% cancellation rate for calendar year 2011, which is in line with its historical average.



# OPERATIONAL REVIEW

- ✈ **Commenced Sydney – Newcastle – Ballina (30 Oct 2011)**
- ✈ **Metroliner 23 aircraft operations ceased**
  - 4 Metroliners sold with one transferred Dec 2011
- ✈ **Commenced new 3-year contract with Defence for target towing (1 Oct 2011)**
- ✈ **Commenced new 10-year contract with AV (1 July 2011)**
- ✈ **AAPA commenced MPL flight training for UAE carrier**



# INDUSTRY RECOGNITION



*Voted "Best Regional Airline" in the inaugural Australian Traveller Readers' Choice Awards Survey. Over 1,000 readers nominated their all-time favourite in the survey comprising 18 categories, over three months*



*Ranked as the World's Top Performing Regional Airline by the prestigious Aviation Week and Space Technology for the third consecutive year. Publicly traded airlines worldwide were ranked based on performance categories covering financial fitness and earnings performance from a selection of 18 ratios over a 10-year period*





# OUTLOOK

- ✈ **Delivering remaining 3 Metroliner aircraft in Q3**
- ✈ **Further network consolidation in Q4 in preparation for the Carbon Tax and other regulatory cost increases**
- ✈ **Enhancing mining charter capabilities**
- ✈ **Commence freight runs to PNG**





# OUTLOOK – UPCOMING TENDERS

**Awaiting outcome of the following:**

**✈ Air Defence Target System (JP66)**



# PROFIT OUTLOOK

- ✈️ **Outlook for Pel-Air is buoyant with new government contracts and strong resource-driven charters**
- ✈️ **Outlook for Rex is negative given:**
  - **increasing government taxes and regulations**
  - **slowing passenger demand**
  - **rising costs especially fuel**
- ✈️ **All subsidiaries expected to show improved earnings**



# DIVIDEND

- ✈ Major global economic turbulence expected in next 12 months
- ✈ Australia could face severe slowdown with China's contraction
- ✈ Prudent to conserve cash to ride out possible recession
- ✈ Cash holdings expected above \$30 million at end FY
- ✈ Interim dividend will not be paid
- ✈ Higher final dividend if above fears are not realised





Q&A

**END OF PRESENTATION**  
**THANK YOU**

