

ANNOUNCEMENT

HALF YEAR RESULTS

FY 14 /15



AGENDA

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



CONSOLIDATED INCOME STATEMENT REVIEW

| | 1H FY15 (\$M) | 1H FY14 (\$M) |
|------------------------|------------------|------------------|
| Passenger Revenue | 104.9 | 105.0 |
| Total Revenue* | 129.3 | 130.1 |
| Fuel Cost | 18.2 | 19.7 |
| Carbon Tax on fuel | - | 1.3 |
| Other Costs & Expenses | 104.7 | 103.1 |
| En-route charges | 0.9 | 1.0 |
| Profit before Tax | 5.5 | 5.0 |

* Includes Finance income and other gains and losses



KEY PERFORMANCE INDICATORS









| | 1H FY15 | 1H FY14 |
|-----------------------------|---------|---------|
| Passengers | 546,668 | 548,303 |
| ASKs | 373.4M | 382.4M |
| Average Fare (\$) | 191.6 | 191.4 |
| Load Factor | 54.6% | 54.1% |
| Pax Revenue / ASK (cents) | 29.0 | 28.5 |
| Other Revenue / ASK (cents) | 0.7 | 0.7 |
| Total Cost / ASK (cents) | 29.2 | 28.5 |
| Fuel % Total Cost | 14.7% | 16.8%* |

* Includes carbon tax



ON TIME PERFORMANCE

AIRLINE RELIABILITY INDEX

| Airline | On Time Departure | | | | | Cancellation Rate (%) | | | | |
|---|-------------------|-----------------|-------------------|-----------------|-----------------|-----------------------|------|-------|------|------|
| | 1H FY15 | FY14 | FY13 | FY12 | FY11 | 1H FY15 | FY14 | FY13 | FY12 | FY11 |
|  | 1 st | 1 st | 1 st | 3 rd | 1 st | 0.3% | 0.5% | 0.7% | 0.4% | 0.4% |
|  | 4 th | 5 th | 6 th | 7 th | 5 th | 1.9% | 2.5% | 2.5% | 2.0% | 1.9% |
|  | 2 nd | 2 nd | 2 nd | 2 nd | 3 rd | 1.2% | 1.3% | 1.6% | 1.7% | 1.5% |
|  | 6 th | 6 th | 8 th | 8 th | 6 th | 1.3% | 1.9% | 1.3% | 1.6% | 1.4% |
|  | 5 th | 4 th | 3 rd | 4 th | 4 th | 2.0% | 1.5% | 1.7% | 1.3% | 2.0% |
|  | 3 rd | 3 rd | 4 th | 6 th | N/A | 1.0% | 1.3% | 2.4% | 1.5% | N/A |
|  | N/A | N/A | 7 th * | 5 th | 2 nd | N/A | N/A | 0.2%* | 0.2% | 0.3% |
|  | 7 th | 7 th | 5 th | 1 st | 7 th | 0.9% | 2.2% | 1.2% | 0.5% | 3.0% |

Source: Bureau of Infrastructure, Transport and Regional Economics

* YTD April 2013, part of Virgin Australia Regional Airlines effective 7 May 2013



OPERATIONAL REVIEW

- ➔ Contract extension to Iluka Resources charter in South Australia for Pel Air (July 2014)
- ➔ Air Link re-commenced RPT services on Sydney-Dubbo (Aug 2014)
- ➔ Taree/Grafton/Lismore/Newcastle routes refinement resulting in 29% less ASK for these 4 routes (Oct 14)
- ➔ Reintroduction of a Sydney to Broken Hill direct service (Oct 2014)
- ➔ Rex awarded Area Air Operator's Certificate (AAOC) by CASA (Dec 2014)



TENDER UPDATE

✈️ Awarded 5 Queensland Regulated Routes (Northern 1 & 2 (re-awarded), Western 1 & 2 and Gulf route) in Oct 2014 representing 16 new ports. Operations began 1 Jan 2015



Routes in *maroon* operated in conjunction with the Queensland Government.



**Queensland
Government**



SUBSEQUENT EVENTS

✈ Purchased one Saab 340 B aircraft in readiness for new opportunities in Queensland following the collapse of Skytrans



INDUSTRY RECOGNITION



Rex has been voted 'Best Regional Airline' in the Australian Traveller People's Choice Awards Survey three times since 2011, the awards inaugural year.

“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.”

(Excerpt from Australian Traveller's web site)



PROFIT OUTLOOK

- The Group sees passenger demand stabilising in 1H
- However demand in 2H uncertain due to negative impact of plunging oil prices on certain industries
- Fuel price hedged for the full FY which brings annualised savings of \$2m
- Additional contributions from Queensland operations from 2H



PROFIT OUTLOOK & DIVIDENDS

- ➔ Net outcome of tailwinds and headwinds is expected to be moderately positive for Rex for the full FY
- ➔ No interim dividend will be paid but Board committed to paying out final dividend if profit outlook realised

Q&A

END OF
PRESENTATION
THANK YOU

