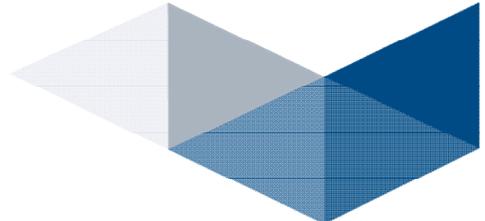


ANNOUNCEMENT

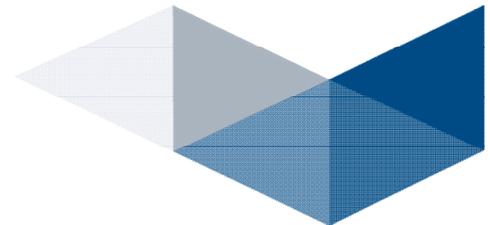
FY 19/20 Half Year Results





AGENDA

- + **Financial Highlights**
- + Group Operational Review
- + Outlook & Profit Forecast
- + Dividend Guidance



Financial Highlights

Group Income Statement Review

	1H FY20 (\$M)	1H FY19 (\$M)	Change
Passenger Revenue	145.1	145.4	- 0.2%
Group Total Revenue	166.2	163.8	+ 1.5%
Fuel Cost	(21.4)	(23.0)	- 7.0%
Other Costs & Expenses (Excluding Fuel)	(135.1)	(128.1)	+ 5.5%
Finance & Other Revenue	0.2	1.5*	- 86.7%
Statutory Profit Before Tax	10.0	14.2	- 29.6%
Statutory Profit After Tax	6.9	9.8	- 29.6%

*Includes the sale of Air Link of (\$1M)



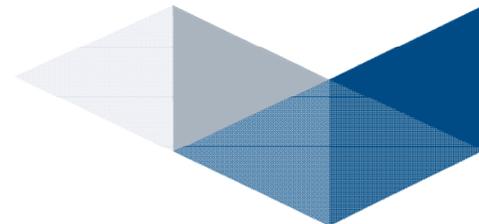
Financial Highlights

Reduction in PBT by \$4.2M (30%) due to:

- + Less favourable USD Exchange rate (\$2M impact)
- + Spike in Engineering cost (\$2M impact excluding USD exchange rate)
- + One-off profit in previous period due to sale of subsidiary (\$0.8M)
- + Reduction in passenger numbers (-1%) with increased activity (1%)

Offset by:

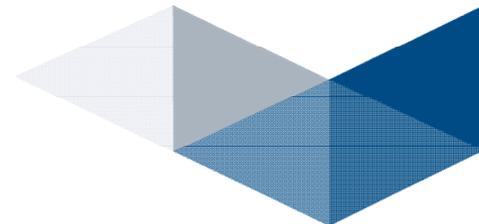
- + Savings from lower fuel cost & hedging initiative (\$2M)
- + Increased contribution from pilot training





AGENDA

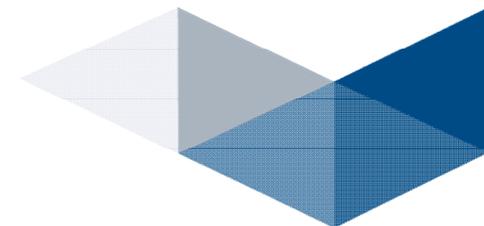
- + Financial Highlights
- + **Group Operational Review**
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Group Operational Review

Airline Key Performance Indicators

	1H FY20	1H FY19	Change
Passengers	659,053	664,832	- 0.9%
ASKs (M)	421.4	417.5	+ 0.9%
Average Fare (\$)	223.0	221.0	+ 0.9%
Load Factor	62.5%	64.2%	- 1.7% pts
Total Revenue / ASK (cents)	35.4	35.8	- 1.1%
Total Cost / ASK (cents)	35.2	33.4	+ 5.4%
Fuel % Total Cost	13.7%	15.2%	- 1.5% pts



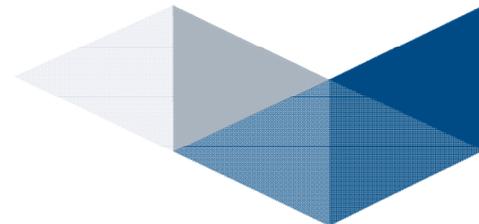
Group Operational Review

Airline Reliability Index

Airline	On Time Departure					Cancellation Rate (%)				
	1H FY20	FY19	FY18	FY17	FY16	1H FY20	FY19	FY18	FY17	FY16
	1 st (83.5%)	2 nd	2 nd	2 nd	1 st	1.2%	1.0%	1.3%	0.8%	0.5%
Virgin Australia Regional	3 rd (80.3%)	3 rd	3 rd	1 st	3 rd	1.1%	2.1%	2.6%	1.5%	2.0%
QantasLink	2 nd (81.3%)	1 st	1 st	3 rd	2 nd	1.8%	1.6%	2.3%	2.6%	2.6%

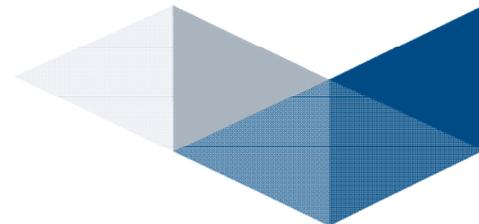
Group Operational Review

- ✦ Aug-19 Hedged Q2FY20 fuel requirements (66.7 ACPL)
- ✦ Aug-19 Obtained DA for Simulator Centre at Rex's facility adjacent to its HQ
- ✦ Nov-19 Granted Labour Agreement for overseas recruitment of pilots, engineers and flight instructors
- ✦ Nov-19 Acquired ST Aerospace Academy (Australia), pilot academy based in Ballarat, Victoria (renamed as AAPA Victoria)
- ✦ Nov-19 Rex Relief Fund increased to \$1.5M for bushfire, flood and drought



Subsequent Events

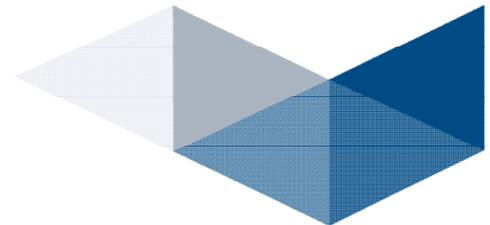
- ✦ Feb-20 Announced cessation of operations Sydney - Ballina on 29th March 2020
- ✦ Feb-20 Announced cessation of operations Adelaide - Kangaroo Island on 1st July 2020
- ✦ Feb-20 Fuel requirements hedged until December 2020 (58.6 ACPL)
- ✦ Feb-20 Pel-Air awarded NSW Fixed-Wing Air Ambulance Contract





NSW Air Ambulance Contract

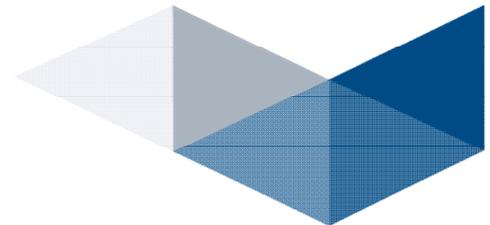
- + 22-month construction phase followed by 10-year operational phase
- + Operational phase commences on 1 Jan 2022
- + Initially 5 X King Air 350 aircraft will be deployed
- + Undertaking a program of work to develop and test a fit for purpose aeromedical fit out of the Pilatus PC 24, with the intention of introducing two new PC 24 jets into the fleet from late 2023
- + If outcome positive, 2 X Pilatus PC 24 will be deployed in late 2023 while retiring 1 King Air 350 aircraft





AGENDA

- + Financial Highlights
- + Group Operational Review
- + **Outlook & Profit Forecast**
- + Dividend Guidance





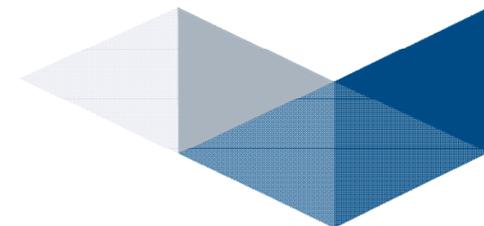
FY2020 2H Outlook

Tailwinds:

- + NSW Air Ambulance Contract will bring additional contribution to the Group
- + New academy with 160 students will bring added profits
- + Fuel Hedge will reduce fuel cost by \$0.7M compared to 2H FY2019

Headwinds:

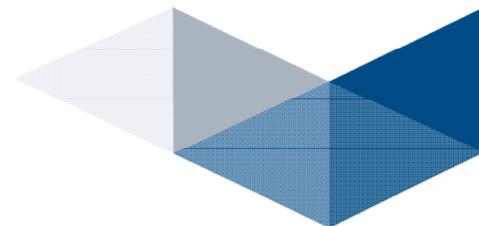
- + Continued weak AUD
- + Harsh economic condition due to bushfire, drought, flood and COVID-19



FY2020 2H Outlook

Profit Guidance

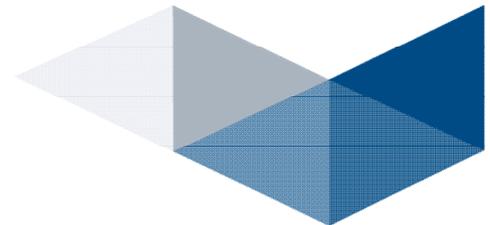
- + The Board believes that the COVID-19 outbreak coming on the back of the unprecedented bush fires would have a significant negative impact on the economy in 2H FY20.
- + The Board believes the environment is too volatile to give an accurate forecast but is hopeful that the earnings would not deteriorate further.





AGENDA

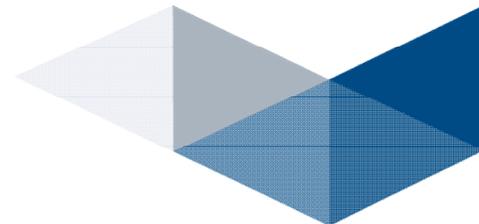
- + Financial Highlights
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- + Outlook & Profit Forecast
- + **Dividend Guidance**



Dividend Guidance

Rex is looking at some major investments in the next 2 years:

- + Preparation for the operational phase (Jan 2022) of the NSW Ambulance project;
- + Construction of a new campus wing (100 rooms) at its pilot school at Wagga Wagga (completion Oct 2020);
- + Construction of satellite campus for pilot academy (end 2021);
- + Construction of a hangar extension at Sydney Airport (completion end 2020);
- + Construction of a new SIM Centre at Mascot (completion May 2020).

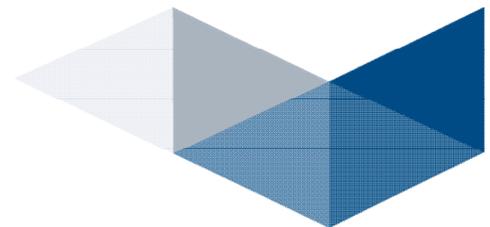


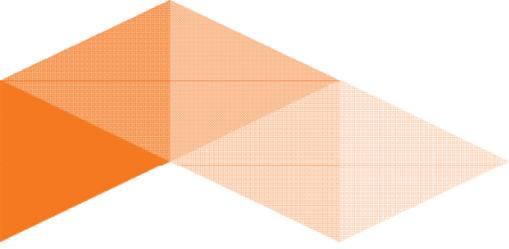


Dividend Guidance

Consequently the Board has decided against paying out any interim dividend for FY2020.

A final dividend could be considered if the Group turns in a strong performance in 2H FY 20.





- End of Presentation –
Thank You

