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ANNOUNCEMENT HALF YEAR RESULTS FY15/16



AGENDA

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



CONSOLIDATED INCOME STATEMENT REVIEW

	1H FY16 \$M	1H FY15 \$M
Passenger Revenue*	113.2	106.5
Group Total Revenue	132.6	129.8
Fuel Cost	(17.8)	(18.7)
Other Costs & Expenses Exclude Fuel	(109.9)	(105.6)
Impairments**	(18.1)	-
Statutory Profit Before Tax	(13.2)	5.5
Statutory Profit After Tax	(11.4)	3.9

* Includes QLD Government Regulated Route payments

** Includes Goodwill, Asset write downs and fair value accounting



UNDERLYING PROFITS

	1H FY16 \$M	1H FY15 \$M
Operating Profit After Tax	3.3	3.9
Impact of Goodwill Impairment	(6.6)	-
Impact of Asset Impairment	(6.8)	-
Impact of Fair value Hedge Adjustment	(4.7)	-
Tax Impact of the above	3.4	-
Statutory Profit After Tax	(11.4)	3.9

KEY PERFORMANCE INDICATORS





	1H FY16	1H FY15
Passengers	550,323	546,668
ASKs (M)	379.7	373.4
Average Fare*(\$)	205.7	194.9
Load Factor*	54.8%	54.6%
Pax Revenue* / ASK (cents)	30.5	29.5
Other Revenue / ASK (cents)	0.7	0.7
Total Cost** / ASK (cents)	30.1	29.3
Fuel % Total Cost**	12.6%	15.0%

* Includes QLD Government Regulated Routes (payments and passengers)

** Excludes fair value adjustments







ON TIME PERFORMANCE

Airline	On Time Departure				
	1HFY16	FY15	FY14	FY13	FY12
	1 st 88.4%	1 st 88.2%	1 st 88.6%	1 st 85.8%	1 st 84.3%
	2 nd 87.1%	3 rd 86.2%	3 rd 82.3%	3 rd 78.7%	4 th 77.7%
	3 rd 84.7%	2 nd 86.5%	2 nd 84.8%	2 nd 80.8%	3 rd 80.0%
				4 th * 77.0%	2 nd 80.9%



CANCELLATION RATE

Airline	Cancellation Rate				
	1HFY16	FY15	FY14	FY13	FY12
	0.4%	0.3%	0.5%	0.7%	0.4%
	2.8%	2.1%	2.5%	2.5%	2.0%
	2.3%	1.4%	1.3%	2.4%	1.5%
				0.2%	0.2%

OPERATIONAL REVIEW

- ✈️ July 15 commenced daily RPT service Cairns-Townsville
- ✈️ Aug 15 Air Link commenced RPT services to Cobar
- ✈️ Sep 15 exited Newcastle to Ballina route
- ✈️ Oct 15 cessation of the defence target towing contract
- ✈️ Nov 15 announcement of new Snowy Mountains route



OPERATIONAL REVIEW

- ✈️ Dec 15 Rex won tender for 2 regulated routes in WA (commencing 28 Feb 2016).
- ✈️ Dec 15 Purchased 1 Saab aircraft for WA operations.
- ✈️ Signed agreement with Vietnam Flight Training to train cadet pilots for Vietnam Airlines.
- ✈️ Entered into fuel hedge for 1H FY17.



SUBSEQUENT EVENTS

- ✈ Further increased Saab 340 fleet by 2 aircraft for WA ops.
- ✈ Continued fuel hedging for Q3 FY17; fuel cost for the first 3 quarters of FY17 is \$4.7m lower than prior period.
- ✈ Reached agreement with Wagga Wagga council for the purchase of a new purpose-built hangar for aircraft painting including a 25-year lease on the land.
- ✈ AAPA awarded Approved Training Organisation status by the Civil Aviation Authority of Vietnam, clearing the way for cadet pilot training to commence for Vietnam.



SUBSEQUENT EVENTS



PROFIT OUTLOOK

- ✈ Underlying business passenger demand in 2H expected to continue to soften due to negative impact of plunging oil prices and continued China weakness.
- ✈ Fuel price hedged for 2H bringing savings in excess of \$2m over prior period.
- ✈ Cessation of defence target towing contract.
- ✈ WA operations to contribute 10% passenger growth.
- ✈ Start of flight training for Vietnam Airlines Cadets



PROFIT OUTLOOK

- ✈ Net outcome of tailwinds and headwinds is expected to be neutral to underlying profits in the 2H



END OF PRESENTATION
THANK YOU





Contract signature at Australian Embassy, Hanoi, Vietnam