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MEDIA RELEASE

REX NAMED AIR TRANSPORT WORLD'S REGIONAL AIRLINE OF THE YEAR 2010

The airline world's most coveted and valued honour, the *Air Transport World*® (ATW) *Industry Achievement Award*, has been conferred on Regional Express (Rex) as the Regional Airline of the Year 2010.

This award is in recognition of the airline's superior safety record and operational excellence that have been demonstrated by outstanding punctuality and flight completion. The airline was also praised for its outstanding customer service as evidenced by the consistent top rankings in consumer polls over the years.

On Rex's financial performance, the ATW editors highlighted, "The strength of the company's business model is demonstrated by the fact that in the fiscal year ended June 2009, a period encompassing the global financial crisis, earnings dipped less than 6% compared to the prior year, and Rex remained profitable in the first quarter of the 2009/10 financial year. The carrier's strong profit performance is matched by its rock-solid balance sheet with no long-term debt."

The editors further commended Rex for its highly unusual but successful business strategy, "Rex is the sole operator on most of its routes and caters to a base of non-discretionary business travellers, so it could have pursued a strategy of raising fares and reducing capacity. Instead, in what it calls the *Rex Virtuous Cycle*, it becomes its own competitor by increasing frequency on a route whenever the load factor exceeds 70%. This causes load factors to fall with a corresponding decline in average fares that stimulates further demand, beginning the cycle again."

"The Rex Virtuous Cycle has led to better service and lower fares for consumers, while shareholders have enjoyed six consecutive years of profit," added ATW Editorial Director Perry Flint.

"Rex's ability to grow and prosper while winning strong customer accolades makes it a highly deserving recipient of the 2010 Regional Airline of the Year award."

Lim Kim Hai, Rex's Executive Chairman said that Australia can be proud of laying claim to a regional carrier that is second to none in the world. "In the 36-year history of the awards, this is only the second time that an Australian regional airline has received this honour which had previously been monopolised predominantly by the large American carriers. I am proud to say that the award winner in 1991 was none other than Kendell airlines, one of the two constituent airlines of Rex."



Regional Express

“The award is also recognition of the hard work and dedication of the staff at Rex who have lived up to our company motto, ‘Our Heart is in the Country’ and helped create this world class regional airline.”

The award will be presented on 1 February 2010 in Singapore at *ATW*'s gala dinner and awards celebration at the Swissotel-The Stamford.

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of more than 40 SAAB 340 aircraft on some 1,300 weekly flights to 35 destinations throughout New South Wales, Victoria, Tasmania, South Australia and Queensland. The Rex Group comprises Regional Express, air freight and charter operator Pel-Air Aviation and Dubbo-based regional airline Air Link, as well as the pilot academy Australian Airline Pilot Academy.

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