

9 MAY 2012

## MEDIA RELEASE

### REX CUTS ROUTE DUE TO GOVERNMENT TAXES

Regional Express (Rex) has today announced that it would be withdrawing services from between Griffith and Melbourne with effect from 1 July 2012.

Rex established the Griffith to Melbourne service in July 2007 and was forced to suspend the route between February 2008 and October 2009 due to a Global Pilot Shortage. Rex maintained its commitment to return to the route from October 2009 and since this time Rex has invested in an additional Saab 340 aircraft to facilitate an improved flight schedule to allow for day return travel.

“The Griffith to Melbourne route is currently Rex’s thinnest route and as a result is one of the most marginal. The route operates with a low average load factor and this will be compounded by the federal government’s new carbon tax as well as the removal of the enroute rebate scheme effective from July 2012. These new taxes and charges are not levied per passenger, but per flight. As a result the additional costs per passenger will be higher on the thinner and more marginal routes” said Warrick Lodge General Manager, Network Strategy & Sales.

“This has been a difficult decision as it was Rex that established the service back in July 2007. Rex would like to thank Griffith City Council who worked closely with Rex to establish the service, as without this collaboration Rex would not have commenced operations on the route” Mr Lodge said.

Mr Lodge further added that more routes may be cut once the full impact of the new Government taxes has been digested. The excess capacity would be diverted to mining charters and better performing passenger routes.

Passengers holding reservations for travel between Griffith and Melbourne from 1 July 2012 onwards will be offered a full refund.

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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