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## MEDIA RELEASE

### REX FULL YEAR FY17/18 PROFITS IMPROVED BY 41%

The Regional Express (Rex) Group today announced a 41% improvement of profits for Financial Year 2018 (FY18).

Rex announced a statutory Profit Before Tax (PBT) of \$25.1 million (M) on a turnover of \$295.5M. This represents a 41% improvement in PBT over the previous FY. Rex's statutory Profit After Tax was \$16.9M for FY18.

Rex Executive Chairman Lim Kim Hai said, "Our strong performance is a testament to the dedication and perseverance of our staff who has worked extremely hard in the FY to sustain our services in spite of the acute pilot shortage hitting all regional operators. I would like to single out the pilot group in particular who has accepted last minute call-outs so that regional passengers do not miss their hospital appointment or that important business meeting. Rex and indeed the regional communities on our network owe them a huge debt of gratitude."

"Our strong results have generated a healthy cash surplus and with no major capital investments in sight, shareholders will be pleased to know that the Board has decided on a final dividend of 8.0c per share, bringing the total dividend for the FY to 12.0c per share fully franked. The Rex Board continues to affirm its support for a healthy dividend payout ratio for the new FY and will be recommending an interim dividend if the half-yearly results live up to expectations."

"Rex is ever mindful of the brewing global and domestic headwinds – the potential for fuel prices to spiral up with the Iran oil sanctions in November, a global trade war, a weak Australian dollar, an acute pilot shortage and a devastating drought in regional Australia. Rex Management and Board will be extra vigilant, cautious and defensive in all strategic decisions so as not to be caught flat footed. However, having seen through equally tumultuous times in the last 15 years (more drought, SARS, wars, volcanic ash, stratospheric fuel prices, GFC) that have brought down 20 regional carriers in Australia, three in recent months alone, I am quietly confident that we have the wherewithal to withstand the storm if it does materialise."

"The outlook in the next 12 months is too uncertain for the Board to issue a precise profit forecast. However if the Australian economy remains robust as we have seen in the past 2 months, the Board has grounds to believe that Rex could still achieve double digit growth."

**Regional Express (Rex)** is Australia's largest independent regional airline operating a fleet of more than 50 Saab 340 aircraft on some 1,500 weekly flights to 60 destinations throughout all states in Australia. In addition to the regional airline Regional Express, the Rex Group comprises wholly owned subsidiaries **Pel-Air Aviation** (air freight and charter operator), **Air Link** (Dubbo-based regional airline) and the **Australian Airline Pilot Academy**.

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