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MEDIA RELEASE

REX WELCOMES THE AUSTRALIAN AIRPORTS ASSOCIATION (AAA)'S PRINCIPLE THAT PROFITABLE AIRPORTS SHOULD SUBSIDISE STRUGGLING AIRLINES ESPECIALLY THOSE SERVING REGIONAL CITIES

The Australian Airports Association (AAA), the apex body speaking on behalf of more than 260 airports and aerodromes Australia wide – from the local country community landing strip to major international gateway airports - has issued a media release on 4 July 2018 where its CEO has espoused the principle that profitable businesses should support their unprofitable trading partners.

The statement was made by the AAA's CEO Caroline Wilkie who argued that Rex, being profitable, should subsidise King Island's airport because it was unprofitable, especially since it would benefit the regional community.

Regional Express (Rex) Executive Chairman Lim Kim Hai said that the AAA's position is most unusual and ground breaking given that its largest members are privately owned and highly profitable monopoly capital city airports like Sydney Airport and Brisbane Airport.

"Australia's capital city airports are the most profitable airport businesses in the world. This new policy of the AAA has the potential to change the dynamics of the aviation industry, especially for regional airlines that operate in to profitable airports. Under this new initiative any unprofitable airline flying in to a capital city airport will be able to call upon the very profitable airport owner for financial help in the future. This would be a huge boost to regional airlines right around Australia."

"Most regional airlines are struggling and just in the last month we have seen another 2 regional airlines going into administration, joining another 17 regional airlines that have folded up in the last 14 years. With the commitment given by the apex body on behalf of the airports, there is hope that more regional airlines will survive the economic downturns."

"I would imagine that Virgin Australia too would benefit from this initiative since it has lost \$1.5 Billion over the last 8 years."

"I strongly salute the AAA's bold and enlightened leadership in getting its members to sacrifice their commercial interests to ensure the survival of regional aviation."

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) and the **Australian Airline Pilot Academy**.

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