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MEDIA RELEASE

REX RELEASES FIRST HALF FY15/16 RESULTS

The Regional Express (Rex) Group today announced its first half financial year 2016 (FY15/16) results.

Rex announced a statutory after tax loss of \$11.4 million (M) following the impairment of goodwill and assets and fair value accounting entries. Rex reported an operating profit of \$3.3M as set out in the table below:

	1H FY16	1H FY15
	\$M	\$M
Operating Profit	3.3	3.9
Impact of Goodwill Impairment	(6.6)	-
Impact of Asset Impairment	(6.8)	-
Impact of fair value fuel hedge adjustment	(4.7)	-
Tax impact of the above	3.4	-
Statutory (Loss)	(11.4)	3.9

The \$3.3M operating profit was achieved on a turnover of \$132.6M.

Rex Chief Operating Officer Neville Howell said, "The Group had to make some non-cash write downs and fair value adjustments which resulted in the first statutory loss Rex has reported since FY02/03. Despite this, the Group's cash flows remain sound with an operational profit of \$3.3M."

"The new Western Australian routes which begin on 28 February 2016 are expected to perform well. We are very encouraged by the strong forward bookings to date."

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 58 destinations throughout New South Wales, Victoria, Tasmania, South Australia, Queensland and Western Australia. 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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