

29 AUGUST 2013

MEDIA RELEASE

REX REMAINS AUSTRALIA'S MOST PROFITABLE AIRLINE GROUP FOR 2ND YEAR RUNNING

Regional Express Holdings Ltd (Rex) today released its full financial year results ending 30 June 2013 with a Profit Before Tax of \$19.2 million, making Rex the most profitable listed airline group in Australia.

Rex Executive Chairman, Lim Kim Hai said "This would ordinarily be grounds for much jubilation but instead we at Rex are all too painfully aware that this pole position is an aberration arising from one of the most toxic environments ever to face aviation in Australia.

"Indeed for Rex, we barely had time to celebrate our 10 year anniversary and record profit in FY 12, when we saw sales plunge almost immediately from 1 July 2012 after the Federal Government's carbon tax was implemented, together with a whole host of policies hostile to regional aviation. Minister Albanese's claim that the impact of the carbon tax would be little more than the cost of a cup of coffee became the understatement of the aviation year, when both businesses and households cut back on flying due to the rising costs in the economy."

Rex ended the year with profits down 45% and passenger numbers down 6.8%.

Lim added "Rex is a very efficient, formidable and operationally excellent airline. Our earnings are even more than double that of Qantas. However there is little we can do when the Federal Government appears to be hell-bent on destroying regional aviation and along with it, pretty much the rest of the economy.

"Rex remains confident of Australia's future and our Board has authorised an unprecedented investment plan of \$50 million in this FY so as to place Rex in a very strong position when the economy improves. No final dividend will be paid in light of the huge capital needs. The Board will decide on whether to pay out an interim dividend in February 2014."

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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