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MEDIA RELEASE

REX FIRST HALF FY16/17 OPERATIONAL RESULTS JUMP 88%

The Regional Express (Rex) Group today announced its first half financial year 2017 (1H FY17) results.

Rex announced a statutory Profit Before Tax (PBT) of \$8.6 million (M) on a turnover of \$144.3M compared to a statutory Loss Before Tax of \$13.2M in the 1H FY16 period.

Its operational PAT of \$6.2M represents an 88% improvement over last financial year's 1H operational PAT of \$3.3M.

Rex Chief Operating Officer Neville Howell said, "With Qantas, Virgin Australia and Air New Zealand all reporting significant drop in profits or even losses, we are pleased that Rex was not only able to buck the trend but has managed to improve its performance convincingly."

"We see indications of the bottoming of the decline in regional travel in the first half of the FY. If this trend continues in the second half, then this would strongly suggest the beginning of a recovery in the Australian regional economy."

"Rex is well positioned to take full advantage of a recovery in the regional economy and we are confident of turning in very strong results when the rebound happens."

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 every State in 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.

Rex Media Contact: Corporate Communications: +61 402 438 361