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MEDIA RELEASE

REX FULL YEAR FY16/17 PROFITS QUADRUPLED

The Regional Express (Rex) Group today announced a quadrupling of profits for Financial Year 2017 (FY17).

Rex announced a statutory Profit Before Tax (PBT) of \$17.8 million (M) on a turnover of \$281M. This represents a quadrupling of the operational PBT of \$4.3M recorded for the previous FY. Rex's statutory Profit After Tax was \$12.6M for FY17.

Rex Executive Chairman Lim Kim Hai said, "Although it has proven to be another challenging year for the aviation industry with Qantas, Air New Zealand and Singapore Airlines all reporting significant declines in PBT of 17 - 24% while Virgin Australia's PBT losses came close to \$300M, we are pleased to see that Rex was able to buck the trend to turn in a truly solid performance."

"I see a bottoming out of the declines we experienced in the prior six years with a modest but clear recovery (3% improvement year-on-year on the traditional network) of passenger numbers in FY17, which no doubt mirrors what is happening in the Australian economy. Early indications from the first two months of this new FY confirm the trend we saw in FY17."

"As long as the Australian economy continues this modest recovery, I have confidence that Rex will continue to perform well. I am pleased to announce that the Rex Board has approved a final dividend of 10 cents per share (fully franked) in the light of Rex's nascent confidence in future prospects."

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 59 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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