

24 DECEMBER 2009

MEDIA RELEASE

REX EXITS MACKAY TO TOWNSVILLE ROUTE

Regional Express (Rex) has today announced that it will exit the Mackay to Townsville route from 1st January 2010. Rex launched the air service between Mackay and Townsville on 1st October 2009 in competition with QantasLink.

On 10th December 2009, Rex lodged a formal complaint with the Australian Competition & Consumer Commission (ACCC) against QantasLink over its practices on the Mackay to Townsville route. In response to Rex's debut entry into North Queensland, QantasLink slashed their entry level fare around 35% and reduced their services to Torres Strait and Weipa so as to be able to dump some 40,000 additional annual seats on the Mackay to Townsville route.

Rex General Manager Network Strategy & Sales Warrick Lodge said, "We are extremely disappointed that we have had to take this action, however with the fares and capacity now on the route it is simply not sustainable. Rex has worked extremely hard to reach out to the local community for their support, however after almost 3 months of determined effort we have been forced to acknowledge that our competitor's predatory practices have been effective."

"Rex is nevertheless proud to have been the catalyst for more frequencies, capacity and lower fares and we advise the local community to be vigilant so that these benefits are not reversed the moment Rex leaves."

"Rex wishes to reassure the community that this exit does not represent a disengagement from Northern Queensland. On the contrary, on the back of the recently awarded Northern 1 and 2 licensed routes by the Queensland State Government, Rex has announced the commencement of a new non-stop express service between Townsville and Mount Isa. Both of these new initiatives commence from 31st January 2010 and to facilitate this expansion, Rex is deploying an additional SAAB 340 aircraft growing the fleet to 4 from 3." Mr Lodge said.

Rex customers with a reservation between Mackay and Townsville after 1st January 2010 are advised to contact the Rex Customer Contact Centre on 13 17 13 or their local travel agent for a full refund.

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.



Rex Media Contact: Corporate Communications – 0402 438 361

