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MEDIA RELEASE

REX RELEASES FIRST HALF FY14/15 RESULTS

The Regional Express (Rex) Group today announced its first half FY14/15 results with its Profit Before Tax (PBT) increasing 10% to \$5.5 million on a turnover of \$129.8 million.

Passenger revenue was flat but the Group managed to have lower operating costs aided by the repeal of the Carbon Tax. Fuel cost was also lower on a hedged price that would see \$2 million of savings for the full financial year.

Rex Chief Operating Officer, Neville Howell said, "Whilst passenger demand was seen to stabilise in the first half of the financial year, the Group remained cautious on the second half. The sharp fall of oil prices could have a negative impact on the resource industry, especially the energy sector. The early weeks of the second half did record a softening of passenger demand again."

"On the other hand, the new Queensland routes which began on 1 January 2015 are expected to perform well."

"The Board remains optimistic that the net result of the headwinds and tailwinds will still be moderately positive for the Group and is committed to paying a final dividend if this materialises."

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of more than 50 Saab 340 aircraft on some 1,300 weekly flights to 52 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 – +61 402 438 361