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MEDIA RELEASE

REX FIRST HALF FY18/19 EARNINGS IMPROVED BY 8%

The Regional Express (Rex) Group today announced a statutory Profit After Tax (PAT) of \$9.8 million (M) on a turnover of \$163.8M for First Half Financial Year 2019 (1H FY19). This represents a 7.7% improvement in PAT and 8.5% improvement in revenue over the previous FY.

Rex Executive Chairman Lim Kim Hai said, "This period was particularly difficult with fuel prices skyrocketing and with the sharp slowdown of economic activity from December due to the Sino-US trade war. I am pleased to report that Rex has bucked the worldwide airline trend of steep decline in profitability by turning in a modest 3% improvement in Profit Before Tax."

"Fuel for 2H FY19 has been hedged and will translate into a \$2.3M reduction compared to 1H FY19."

"There are too many uncertainties in the Australian and global economy for the Board to provide a specific profit forecast. However, the cash flow of the company has remained strong and the Board has decided to maintain a fully franked interim dividend of 4 cents per share. The Board remains committed to a healthy final dividend payout for FY19 if the Group turns in an improvement in earnings."

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 60 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) and the **Australian Airline Pilot Academy**.

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