

**SAAB**

PRESS INFORMATION

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Rex to lease 25 latest generation Saab 340Bplus aircraft

Regional Express (Rex) will embark on a massive fleet modernization and expansion programme in which the airline will add 25 of the latest generation Saab 340Bplus supplied by Saab Aircraft Leasing.

Regional Express (Rex), the largest independent regional airline in Australia, has reached an agreement with Saab Aircraft Leasing to enter into a long-term lease for 25 latest generation Saab 340Bplus aircraft.

The Saab 340Bplus aircraft features a redesigned extended wing which increases flight performance capabilities as well as improves on fuel efficiency. Passenger comfort is also greatly enhanced in the cabin which comes equipped with state-of-the-art active noise canceling system, larger stow away compartments and modern interiors and lighting. The aircraft also has a bigger baggage and cargo hold.

Rex Managing Director Geoff Breust said that the 25 planes would be introduced into service over the next 3 years starting from December this year and would enable the airline to meet the strong demand from regional Australia as well as to rejuvenate its fleet.

Commenting on the deal, Mr. Breust said, "Rex has been finding it increasingly difficult to respond to the numerous requests from regional Australia for quality air services. These aircraft presents Rex with the opportunity to undertake a bold commitment to expanding our services to regional Australia."

Rex has steadily expanded its Saab 340 fleet and is now one of the largest 340 operators in the world with about 30 aircraft. The airline is currently concluding the phase out of its 19-seat Metro 23s to be replaced by Saab 340s, thereby achieving further cost benefits as a single fleet Saab 340 operator.

Morgan Falkengren, Saab Aircraft Leasing Vice President Asia-Pacific states, "We are very proud to be a partner to Regional Express, one of the most successful regional airlines in the world. We are very pleased to assist Rex upgrading its fleet to the latest Saab 340Bplus which is the ultimate refinement with unbeatable operating economics on regional routes. The consistent profitability of Rex demonstrates that the Saab 340 is very well suited for today's demanding regional airline operations. The selection of Saab 340Bplus will assist Rex in maintaining that momentum."

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Rex Executive Chairman, Lim Kim Hai, said that he was extremely satisfied with the performance of the Saab 340 which he described as the ideal turboprop aircraft for today's regional airline environment.

"Its low operating cost and fuel efficient engines have allowed us to become one of the most profitable airlines," Mr. Lim said.

Rex is Australia's largest independent regional airline. It operates services linking regional destinations to Sydney, Melbourne and Adelaide and carries over 1.2 million passengers annually on over 1,100 flights each week. Regional Express Holdings Limited listed on the ASX in November 2005, owns 100 percent of Dubbo based regional airline, Air Link and has a 50 percent investment in freight and charter operator, Pel Air Aviation Pty Limited.

Saab Aircraft Leasing manages a portfolio of about 200 Saab 340 and Saab 2000 aircraft leased to 25 airlines around the world. With 35 employees, its head-office is in Washington, DC and regional offices in Stockholm Sweden and Tokyo Japan.

Saab is one of the world's leading high-technology companies, with its main operations focusing on defence, aviation and space. The group covers a broad spectrum of competence and capabilities in systems integration.

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