

Source: Shaw Stockbroking (Egoli)

Rex thumps forecasts

By: Nicholas Clydsdale

Regional Express Holdings Limited (REX) has posted an earnings guidance for fiscal 2008, predicting growth of 10%. At its AGM, Rex also said that said first quarter profit had increased 5.6% over last year's first quarter result to \$5.7 million.



Chairman David Dix said the overall results exceeded original forecasts.

Rex reported full year profit growth of 50% to \$23.6 million, on the back of boosting revenues by 30% to \$225 million and aided by an 18% increase in passenger numbers to 1.4 million.

The chairman also sought to highlight that for the second year in a row, Rex was awarded the title of Best Australian Airline, beating Qantas, Jetstar and Virgin Blue.

Additionally, the company was awarded the second best airline in the world in its category, based on financial performance as voted by the magazine Aviation Week & Space Technology. Unlike most airlines, who see rises in petrol prices as a threat to profitability, Rex pointed out an upside.

The airline explained that as fuel prices increase, its ability to compete with the motor car increases.

The company also said it remained free of any interest bearing debt, a situation that is virtually unique in the aviation industry throughout the world.

As at 1223 AEDT, shares in **Rex** were down 4c to [\\$2.07](#).

