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## **Rex's Q3 net profit up 7.3% to \$4.4m**

AAP

Regional Express Holdings Ltd (Rex) has reaffirmed its full year profit forecast after posting a lift in third quarter net profit.

Rex reported a 7.3 per cent lift in net profit to \$4.4 million for the three months ended 31 March, 2008, compared to the prior corresponding quarter.

The regional carrier's fuel costs lifted 30.9 per cent in the quarter to \$8.9 million.

Rex executive chairman Lim Kim Hai said the carrier expected to post an annual net profit in line with last financial year's result.

"With only one month left of the year, I am confident of meeting our earlier profit forecast, which called for net earnings to match that of the previous year's," he said.

"Bookings for the last quarter are strong, translating into high load factors."

Rex reported net profit of \$23.6 million in 2006/07.

For the nine months to March 31, 2008, Rex posted a net profit of \$16.1 million, down from \$16.8 million in the previous corresponding period.

Mr Lim said regional aviation in Australia and aviation worldwide has encountered "a veritable tsunami in the past few months with the horrific oil prices, the severe shortage of pilots and the financial crisis".

He said he had been watching closely the results in this quarter of all the airlines.

"In the US for example, almost all the airlines

lost money with the notable exception of Southwest which saw profits plummeting by 60 per cent.

"This has resulted in the collapse of half a dozen airlines worldwide since the close of the quarter."

Mr Lim said Rex's third quarter results covered the Easter period, which was a "very slow period".

"Given the extremely difficult environment in the third quarter, I must say that we performed beyond our own expectations," he said.

He said Rex remains debt free which sets it apart from nearly every other airline in the world.

Rex also said Tuesday that Jim Davis had been appointed managing director of the company, effective immediately.

Mr Davis had been acting managing director after the retirement of Geoff Breust.

Rex recently said it would lift its fuel surcharge for the second time in less than a month due to the sustained surge in world oil prices.

Its surcharge will lift by \$4 to \$40 per sector from Tuesday.