

Source: Travel Today, 24 Aug 11

Fuel, tax blamed for Rex decline

Anne Majumdar

Regional Express has blamed “fuel prices spiralling out of control” for a sharp profit decline in the 2010/11 financial year.

Pre-tax profits fell 8% to \$24.1 million with after tax profit sliding by an even steeper 28.5%, the result of discontinued post-GFC tax incentives.

Rex also suffered as natural disasters including cyclones, floods and volcanic ash clouds led to closures of airspace over several days across Australia.

Despite the profit slump, executive chairman Lim Kim Hai remained confident that the group would return to profitability this year.

“While the economic turmoil

in the USA and Europe is as threatening as ever, at Rex we approach the new FY with a certain amount of confidence, serenity and even excitement,” he said.

The airline highlighted its strong cash holdings and limited capital expenditure over the coming year and placed great faith in the economic potential of its recently restructured Pel-Air subsidiary and the Australian Airline Pilot Academy (AAPA).

“With the current world-wide demand for new pilots estimated at 20,000 a year, AAPA is well positioned to contribute strong earning streams in the coming years,” Lim said.

• [CLICK HERE TO COMMENT](#)