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Rex Reports A\$9.6m Half-Year Profit



Regional Express (Rex) has reported a profit of A\$9.6 million for the first half of its financial year which ended on 31 December 2009.

Revenue for the six months from 1 July-31 December last year was A\$117.8 million, a 13.3% decrease compared with the A\$135.8 million reported for the half-year which ended on 31 December 2008. The A\$9.6 million profit from ordinary activities after tax attributable to members was down by 8.6% from the A\$10.5 million reported for the same period in the previous financial year.

The first half of Rex's 2009-10 financial year saw a reduction in available seat kilometres (ASKs) by 3.6% as frequency reductions introduced in the previous financial year – to counter reduced demand for regional travel brought about by the global financial crisis – were largely kept in place. However, the airline notes that this scaling back of capacity was insufficient to meet ailing demand, which saw passenger numbers decline by 8.8% on the prior corresponding period.

The lower passenger numbers coupled with greatly reduced freight activity, stemming from the restructure of Pel-Air, were behind the company's revenue declining by 13.3%.

Total costs over this period reduced to A\$104.9 million. This was mainly due to lower fuel and engineering costs and favourable foreign exchange gains, all of which totalled A\$14.5 million.