VIETNAM AIRLINES RESULTS FOR THE FIRST NINE MONTHS OF 2015

News / Airlines

Vietnam Airlines Corporation would like to announce our business **result** for the first **nine months** through to September.

Vietnam's macro-economy has been stabilised with positive growth figures in the first nine months of the year.

Various policies that promote the country's tourism industry have been put into effect since mid year this year. The visa-waiver program for the five European countries, which came into force since July 1, in particular, has reinstated the number of foreign visitors travelling to Vietnam.

While the air transport market has reported promising growth, Vietnam Airlines yet continued

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encountering many difficulties and challenges, on account of the complicated global economic and political developments and the major currency devaluations in markets such as the EU, Japan, South Korea and Australia, which in turn affecting the company's revenue once converted into the dollar value.

In addition, the policies in relation to the import duties and environmental taxes, as well as the airport infrastructure-related issues, have limited and badly affected Vietnam Airlines' production capacity and quality of services. Consequently, these shortcomings have considerably bolstered up the company's unplanned expenses.

Vietnam Airlines, however, taking into account both the positive and negative factors, has taken the initiative to develop and carry out measures to promptly response to the market developments, in a bid to overcome difficulties and uphold business efficiency. The company, in turn, has been able to achieve positive sales and revenue results and improve the quality of services, and as a result enhancing Vietnam Airlines' creditability and brand identification in the eyes of our customers and international relations.

Since the beginning of the year through to September 30, Vietnam Airlines has carried out almost 100,000 flights safely, an up of 5 per cent compared to the same period last year, and 12.5 million passengers. Indexes yielded from passenger transport and cargo transports are higher than expected. International and domestic routes have been effectively developed and translated into the company's sound growth, highlighted by the Northeast Asian region, key inland and main tourist attraction routes.

Vietnam Airlines' new fleet of aircraft Airbus A350-900 and Boeing 787-9 have been effectively put into operation, and thus far received good satisfaction and keen response from our customers. It is worth to note that in the very first month of operating the international routes (on the new aircraft fleet), the Boeing 787-9's percentage of seats used on the business class, for flights departing Ho Chi Minh City to London, yield an impressive figure of 85 per cent.

The quality of services for the first nine months of 2015 has also been remarkably improved. Customer assessment on the overall service quality and services on both business and economy classes has hit the targeted score , and even edged up compared to the same period in 2014, especially amid the current chapter when Vietnam Airlines has started adopting the four-star product and service standard. Additionally, the indexes on the company's commitment on quality, assessed by customers in accordance to their satisfaction, have also been achieved against or even bid the set target.

Vietnam Airlines' revenue has increased some VND1.08 trillion ($49.54 million) in the first nine months though September, in comparison to the plan made earlier on. While the consolidated revenues have reached VND52.5 trillion ($2.4 billion), the pre-tax profit has achieved over VND1.3 trillion ($59.63 million), exceeding the company's target for the period.

The company's labour productivity for the said period has continued striving through a boost of 5.2 per cent, compared to the same period last year, thanks to the comprehensive application of measures that does not add up marginal costs, despite the expansion of the production scale and sales, coupled with the streamline of the production process and flexible use of available resources to enhance productivity, applied since 2011. The growth rate of the labour productivity, therefore, has been maintained at 6 per cent a year, on average, in the past years.

Vietnam Airlines has also received a variety of respectable awards, such as being ranked in the top 10 of the world's Most Improved Airlines in 2015, voted by Skytrax, or topped the Vietnam ICT

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Index 2015 chart (Vietnam Information, Communication and Technology Index 2015), and voted as the Airline with the Best Services at the Incheon International Airport in Seoul. These prestigious awards, both local and international, are the clear acknowledgment of Vietnam Airlines' customers all over the world and the international aviation community, with regards to the airline's great efforts and outstanding improvements.

In order to keep on with such striking business results and successfully pull off all of the business targets for the entire year, since the beginning of the fourth quarter, Vietnam Airlines has been persistent with good measures to uphold and advance the safety indicators, service quality and business efficiency. The company is committed to maintain the technical infrastructure and human resource training to receive, handle and effectively develop the new aircraft fleet of Airbus A350-900 and Boeing 787-9, to be handed over in November, 2015, as well as continue carrying out and completing the project striving to upgrade the company's service quality to the four-star standard.

Vietnam Airlines, in accordance with the company's plan, aims at transporting 16.7 million of passengers in 2015. Meanwhile, the company will continue fulfilling the restructuring programme, targeting at reducing the scale of labour down to about 6,500 staff by January 1, 2016.

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