FIJI AIRWAYS HANDS DOWN RECORD PROFIT AND LOOKS TOWARDS

News / Airlines, Finance

New Fiji Airways chief executive Andre Viljoen says 2016 will be a year of challenges and opportunities as the airline grows its international network and deals with the fallout from Tropical Cyclone Winston after handing down a record profit result.

The airline group, which covers Fiji Airways, Fiji Link and other subsidiaries, reported profit before tax of $FJ70.2 million for the 12 months to December 31 2015, up 15.5 per cent from $FJ60.8 million in the prior corresponding period.

It was the highest full year result in the company's history.

Revenue rose 6.3 per cent to $FJ815.3 million, Fiji Airways said in a statement on Tuesday.

Fiji Airways recently commenced flights to Singapore while new services to San Francisco and Vava'u in Tonga were due to begin in the period ahead, which will increase the number of international destinations to 50, including those served via its codeshare partners. In January, the airline picked up its first Airbus A330-300, joining three A330-200s already in the fleet.

Viljoen said the airline was benefitting from lower fuel prices. However, the gains had been offset currency movements against the US dollar.

To that end, the new chief executive stressed the importance of maintaining a focus on costs and

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working with local authorities to support tourism after the recent devastation due to Tropical Cyclone Winston.

“Our results are also sustainable, provided that market demand recovers from recent national disasters and is not merely driven from lower than anticipated fuel prices,” Viljoen said in a statement.

“There will undoubtedly be challenges, as Tropical Cyclone Winston has an impact on our forward bookings. But a number of initiatives are underway with the Tourism Action Group (TAG) to address these challenges.

“The fuel price relief will not last, so we intend to maintain our cost-management discipline and focus.”

Viljoen was delivering his first set of financial results since he started work as Fiji Airways chief executive in October 2015. He replaced Stefan Pichler, who left to become Airberlin’s chief executive.

While Fiji Airways is majority government owned, Qantas holds 46 per cent of the airline, while Air New Zealand has about two per cent. The governments of Kiribati, Tonga, Samoa and Nauru also each have a small stake in the airline formerly known as Air Pacific.

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