

Emirates airline profit more than doubles on cargo demand

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An Emirates Airbus A380 bearing the portrait of the UAE's founder and president, the late Sheikh Zayed bin Sultan al-Nahyan, appears at the Dubai Airshow on November 12, 2017

Leading Middle East airline Emirates said on Wednesday its net profits had more than doubled last year, mainly on improved cargo business.

The Dubai flagship carrier posted a 124 percent increase in net [profit](#) to \$762 million (644 million euros) in the fiscal year ending in March.

Despite the sharp increase, the profit is still way below the \$1.9 billion the airline recorded in the 2015-16 financial year.

"We benefitted from a healthy recovery in the global air cargo industry, as well as the relative strengthening of key currencies against the US dollar," said chairman and CEO Sheikh Ahmed bin Saeed al-Maktoum.

He said the positive results came despite tough business conditions in the last fiscal year due to political instability, currency volatility, devaluations in Africa and rising [oil prices](#).

The company said profits were also boosted by the lay-off of some 3,000 employees.

The announcement came a few months after the airline struck multi-billion dollar deals with Boeing and Airbus to buy dozens of long-haul jets.

Emirates concluded two significant deals for new aircraft—a \$15.1 billion purchase of 40 Boeing 787-10 Dreamliners and a \$16 billion agreement for 36 A380 superjumbo jets, including an option for 16 more.

The airline, which currently operates 268 aircraft, had blamed fierce competition, currency devaluations and US travel restrictions for the 82.5 percent plunge in its profits the previous fiscal year.

Emirates, which is the world's largest operator of Boeing 777 and A380 aircraft, said its revenues increased by 8.5 percent to \$25.2 billion.

The decline of the US dollar against currencies in most of Emirates' key markets for the first time in years added \$180 million to its profits, it said.

The rise came despite a 15 percent hike in fuel costs due to the increase in global oil prices, the company added.

It said it raised \$4.9 billion of debt in the year, using a variety of financing structures including a \$600 million sukuk issuance to finance its purchases.

Emirates made its biggest revenue from Europe, which contributed \$7.3 billion, up 12 percent from 2016-17.

The East Asia and Australasia region followed closely with \$6.9 billion, up 12 percent, the statement said.

Revenues from the Americas rose seven percent to \$3.7 billion, while those from the Gulf and Middle East decreased two percent to \$2.3 billion, it said.

The airline's cargo division reported revenue of \$3.4 billion, an increase of 17 percent over the last year and accounting for some 2.6 million tonnes of freight.

The airlines also transported 58.5 million passengers last year, up 4.3 percent on 2016-2017.

The airline's parent company, Emirates Group, recorded its 30th consecutive year of profit last year, earning \$1.1 billion, up 67 percent.

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