QANTAS EXPECTS TO MORE THAN DOUBLE FIRST HALF UNDERLYING PROFIT BEFORE TAX IN 2015/16 FIRST HALF

News / Airlines



Qantas expects **to more than double i**ts **underlying profit** before tax in **the first half of 2015/16** as the airline group benefits from lower fuel prices, its cost reduction program and improved revenue.

The company has forecast underlying profit before tax, the airline's preferred measure of financial performance, to be between $875 million and $925 million for the six months to December 31 2015.

Qantas reported underlying profit before tax of $367 million in the first half of 2014/15.

"We've seen improved revenue in our domestic and international operations, reduced costs across the group through the Qantas Transformation program, and expect another record half-year result from Qantas Loyalty," Qantas chief executive Alan Joyce said in a statement on Tuesday.

"This strong performance is underpinned by our continued focus on delivering the best service for our customers in all of the markets we serve."

On a negative note, Qantas said there would be a $25 million one-off impact due to the disruptions caused to Jetstar's Bali operations from the two volcanic ash cloud events in Auggust and

© 2015-2026 50SKYSHADES.COM — Reproduction, copying, or redistribution for commercial purposes is prohibited.

November, while there would also be a $17 million “non-cash negative impact of bond rate movements on employee provisions”.

Meanwhile, Qantas said it was continuing to adjust its domestic network with capacity being taken out of east-west and intra-Western Australia routes, while adding extra seats and more flights on east coast markets.

Qantas’s domestic operations, including QantasLink, carried 1.9 million passengers in November, up 1.9 per cent from the prior corresponding period. Capacity, measured by available seat kilometres (ASK), inched up 0.2 per cent.

Domestic passengers were also up at Jetstar, rising 4.8 per cent to 1.1 million in November, while ASKs rose 2.4 per cent. Load factors on the low-cost carrier improved 1.4 percentage points to 85.8 per cent.

“Group domestic revenue per available seat kilometre (RASK) increased compared to the prior corresponding period, reflecting improved performance at both Jetstar Domestic and Qantas Domestic,” Qantas said.

Qantas’s international network grew ASKs by nine per cent in November, as extra flights to Asia kicked in.

In other Qantas news, the airline said on Tuesday members of its frequent flyer program would continue to earn points from the Woolworths Rewards program after the two parties entered into a new three-year agreement. The supermarket chain had previously announced its partnership with Qantas would end on December 31 2015.

15 DECEMBER 2015

SOURCE: AUSTRALIAN AVIATION
ARTICLE LINK:
https://ut.50skyshades.com/news/airlines/qantas-expects-to-more-than-double-first-half-underlying-profit-before-tax-in-201516-first-half

© 2015-2026 50SKYSHADES.COM — Reproduction, copying, or redistribution for commercial purposes is prohibited.