

## MEDIA RELEASE

Thursday 7 July, 2022

Ref: 01/23

### **FNPf Shares in Fiji Airways to Benefit Members**

The Fiji National Provident Fund (FNPf) invested \$93.1 million for a 30.02 per cent stake in Fiji Airways as part of a broader strategy to capture the travel component of the tourism value chain, in addition to the hotels that it already owns.

FNPf CEO Viliame Vodonaivalu, said that, "To date, our members have gained \$92 million in interest from our lending agreement with Fiji Airways. Now that we own shares, our members will also gain from returns that the airline would make in this post-pandemic growth cycle."

He highlighted the Fund's strong investment performance noting that FNPf was the only local financial institution that was able to pay an interest of 5 per cent and more during the pandemic.

"FNPf has a history of providing good returns - this means we make solid investments, and this is why we are able to consistently pay out good interest rates to our members."

"Fiji Airways has always been on our radar - we saw this as an opportunity and believe that there will be full recovery of our investment, given that this strategic national asset has high return potential both in interest income and capital appreciation, apart from the obvious tourism synergies," Vodonaivalu said.

He added that Fiji Airways was an enabler to other investment opportunities such as medical tourism, aged-care and commercial agriculture ventures for export, whilst also having a synergistic relationship with FNPf's substantial Hotel portfolio.

"The Fund's investment follows an intensive due diligence process that started in September last year, conducted by reputable local and international firms with extensive knowledge of the aviation industry and expertise in the areas of valuation, deal advisory, financial and tax due diligence, legal due diligence, technical due diligence and peer review."

The team of experts, led by ANZ Corporate Advisory out of Australia, included IBA - one of the world's leading aviation advisors, Australian law firm Norton White, a leader in transport law, McGrathNicol, Hall & Wilcox, Howard's Lawyers and Molony Advisory, who are all leaders in their fields.

Apart from the Fijian Government and FNPf, other shareholders in Fiji Airways include Qantas, Unit Trust of Fiji, Air NZ and other Pacific Island countries.

In terms of performance, the Fund recently credited a total of \$371 million to 392,175 member accounts after the Board declared a 6% crediting interest rate for its members for the fiscal year ending 30 June 2022.

FNPf has to date paid over \$1.6 billion in interest for the last 5 years to its members and is now an institution with total assets of over \$8.2 billion.

#### *About FNPf*

*The Fiji National Provident Fund is a defined contribution fund that provides superannuation services to its members. The operations of the Fund is guided by the FNPf Act 2011. FNPf collects compulsory contributions from employees and employers towards the retirement savings of all workers in Fiji. The Fund also provides pre-retirement benefits such as housing, medical, unemployment, funeral and education assistance. FNPf is a major investor in Fiji and is one of the country's largest property owner. The Fund also owns majority shares in Amalgamated Telecom Holdings Pte Ltd, Vodafone Fiji Pte Ltd, Home Finance Company Pte Ltd, and fully-owns the InterContinental Fiji Golf Resort & Spa, Nataadola Bay Championship Golf Course, Yatulé Resort & Spa at Nataadola Beach, Holiday Inn Suva, Fiji Marriott Resort Momi Bay, Sheraton Fiji Resort, The Westin Resort, Denarau Golf & Racquet Club and the Grand Pacific Hotel.*