In this file photo dated April 20, 2010, an Emirates airline passenger jet taxis on the tarmac at Dubai International airport in Dubai, United Arab Emirates. *(Kamran Jebreili-FILE)*

Emirates Group, the parent company of the Middle East's biggest airline, said Thursday its annual profit dropped 61 percent as soaring fuel costs ate into increased sales.

The slide is a reminder that the Dubai company's base in the heart of the oil-rich Gulf region offers little protection from high fuel prices that are weighing on the balance sheets of carriers from the United States to the Far East.

Emirates nonetheless remains one of the city-state's most profitable growth engines.

The parent company pulled in earnings of 2.31 billion dirhams ($629.4 million) for the fiscal year ending March 31.

That compares with a 5.95 billion dirham profit a year earlier.

Profits at the airline itself tumbled 72 percent to 1.5 billion dirhams ($409 million) despite a 10 percent capacity increase and successful efforts to nudge ticket prices higher.

"Emirates isn't any more resistant to fuel prices than anyone else," said John Strickland, director of London-based aviation consultancy firm JLS Consulting.

"It attests to the strength of their business that they've stayed in profit. It may not be what they want, but it's still a profit."

The government-owned airline has long insisted it does not benefit from preferential fuel subsidies, dismissing complaints it receives special treatment over competitors.

It said its fuel bill jumped 44 percent over the previous year to $6.6 billion, wiping out a double-digit rise in sales.

The company also grappled with fallout from the Arab Spring unrest, which upended flight schedules to a number of regional destinations.

Revenue increased nearly 18 percent to 67.39 billion dirhams ($18.36 billion).

Sheik Ahmed bin Saeed Al Maktoum, the company's chairman and chief executive, attributed Emirates' ability to stay profitable to "sustained and calculated investment" in the business.

But he acknowledged that rising costs were taking their toll.

"Managing volatile exchange rates, coupled with our highest ever fuel bill, has required immense tenacity. Retaining growth and remaining profitable in these challenging economic times shows our profound understanding of the markets that we do business in," Sheik Ahmed said in a statement.

It is the 24th year in a row Dubai-based Emirates says it has turned a profit, an unusually long winning streak in the industry.

Emirates Group includes Emirates airline and several smaller businesses, such as the travel service and cargo division Dnata.

Dnata acquired a majority stake in online travel agency Travel Republic and half of a South African in-flight catering company last year.

The division grew its revenue by nearly 60 percent, and posted its best profit yet of 808 million dirhams.

Emirates is the world's largest airline in terms of international passenger traffic.

It flies to more than 120 destinations in 73 countries.

Among the new destinations it added last year were Rio de Janeiro, Buenos Aires, Seattle and Dallas-Fort Worth.

It plans to begin flying to Washington in September.