

## ANA Revenue and Profit Up for the First Nine Months of Fiscal Year 2006

– consolidated net profit jumps 42% for Apr 1 to Dec 31 period –

– full year earnings forecast revised upwards –

TOKYO January 31, 2007 ANA Group today reported record revenue and net profit for the first nine months of the current fiscal year April 1, 2006 – Mar 31, 2007.

### Consolidated financial results

For the period under review, ANA posted a consolidated net profit of ¥42.6 billion (2005: ¥29.9 billion) on revenue of ¥1.13 trillion (2005: ¥1.0 trillion) – a 42.5% and 9.3% respective improvement on the previous year and the highest ever net profit and revenue recorded at the nine month point. This is attributed to strong demand for travel in general, buoyed by the continuing recovery of the Japanese economy, the demand for business travel in particular, and a gradual increase in frequency on routes within ANA's network to capture that demand.

Operating profit was also up 2% to ¥91.7 billion (2005: ¥89.9 billion), while recurring profit dropped 3.4% to ¥72.7 billion (2005: ¥75.3 billion) due mainly to a non-operating loss incurred on the return of leased aircraft. Profits were also squeezed by the high cost of crude oil, which added ¥39.0 billion to ANA's fuel bill for the nine months under review.

Taking the results on a quarterly basis, Oct 1 – Dec 31, revenue was up 9.9% to ¥381.6 billion (2005: ¥347.2 billion), with operating profit up 12.7% to ¥22.9 billion (2005: ¥20.3 billion). However, both net profit and recurring profit fell 8.5% and 7.2% respectively to ¥9.3 billion (2005: ¥10.1 billion) and ¥14.7 billion (2005: ¥15.9 billion). This is due to the reasons above, and in particular to the disposal of aircraft and engine parts, a factor which did not arise in the third quarter of the previous term.

### Air Transportation Segment

ANA Group consists of air transport, travel, hotel operations and other businesses. For the entire nine months, in the air transportation segment alone, a consolidated revenue of ¥949.9 billion (2005: ¥858.0 billion) and an operating profit of ¥79.7 billion (2005: ¥78.8 billion) were posted. Airlines\* within the Group carried 38.8 million passengers (2005: 37.7 million) over 46.0 billion Revenue Passenger Kilometres (RPKs) (2005: 44.2 billion), which breaks down to 35.4 million domestic passengers and 3.4 million international passengers over 30.9 billion and 15.1 billion RPKs, respectively.

### Domestic Air Transportation

Japanese domestic demand remained strong, with passenger numbers and revenue exceeding the previous year's result. This is attributed to the popularity of the *Tabiware* discount fare introduced in April 2006 and promotional campaigns to spur demand for travel to Okinawa. The Super Seat Premium product continued to sell well, and the roll-out of the 'SKIP' check-in service further differentiated ANA from its competition while enhancing passenger convenience.

## International Air Transportation

Demand for both business and leisure travel was strong. ANA resumed flights from Tokyo Narita to Chicago in November, increased the frequency on a number of China routes to daily and furthered its partner hub strategy. At the same time, enhanced services were introduced at the lounges in the South Wing of Narita Airport Terminal 1, home to the majority of fellow Star Alliance member airlines since June last year, and passengers were able to experience the benefit of shorter connecting times between flights of the member carriers.

## Cargo

Both international and domestic cargo services showed increases in revenue and cargo tonnage. International performed particularly well thanks to the larger belly hold of the 777 series aircraft on North America routes. The frequency of dedicated 767-300F freighter services between Osaka (Kansai) and Shanghai was increased to five per week, and the same aircraft type was deployed for the first time on flights to Chicago from Tokyo via Anchorage. On the domestic front, the increase in late-night cargo flights from February 2006 also played its part in securing demand.

## Outlook for Fiscal Year 2006

Compared with the previous term, improved passenger revenue led to a better than expected set of results; consequently the outlook for the entire fiscal year, ended Mar 31, 2007, has been revised upwards. Despite recent falls in the price of crude oil, it remains at a high level and is expected to add ¥60.0 billion yen to this year's fuel bill. Notwithstanding oil prices, an expected operating loss in the fourth quarter and an extraordinary loss of approximately ¥10.0 billion arising from the accelerated replacement of aircraft, the financial performance for the entire year is forecast to be of the same order as the previous term.

## Revised Consolidated Forecast for FY 2006

Unit: billion yen (rounded down)

FY2006 Forecast	Revised forecast	Previous forecast (Oct 31, 06)	Difference
Operating Revenue	1,480.0	1,450.0	30.0
Operating profit	89.0	76.0	13.0
Recurring profit	59.0	47.5	11.5
Net profit	28.0	27.0	1.0

## Contact

Rob Henderson, ANA Public Relations: r.henderson@ana.co.jp

## Notes

All monetary figures are rounded down; percentages and other figures are rounded up. All comparisons are year-on-year.

\*ANA Group Airlines: ANA, Air Nippon (ANK), Air Japan (AJX), A-Net (Air Nippon Network), Air Next (NXA), Air Central (CRF), AJV (ANA& Japan Post Express).

## Financial Results for the Nine Months Period, Apr 1 – Dec 31

Consolidated

Unit: billion yen (rounded down)

	FY 2006 Q1 - Q3	FY 2005 Q1 - Q3	difference	%
Operating revenue	1,134.5	1,038.1	96.3	+ 9.3
Operating cost	1,042.8	948.2	94.5	+ 10.0
Operating profit	91.7	89.9	1.7	+ 2.0
Non-operating revenue	-18.9	-14.5	-4.3	-----
Recurring profit	72.7	75.3	-2.5	-3.4
Extraordinary profit/loss	0.2	-13.4	13.6	-----
Net profit	42.6	29.9	12.7	+42.5

By Business Segment

Unit: billion yen (rounded down)

	FY 2006 Q1 - Q3		FY2005 Q1 - Q3		difference (% difference)	
	Revenue	Op profit	Revenue	Op profit	Revenue	Op profit
Air Transport	949.9	79.7	858.0	78.8	91.9 (+10.7%)	0.9 (+1.3%)
Travel	158.1	2.9	152.3	3.6	5.8 (+3.8%)	-0.7 (-19.6%)
Hotels	51.3	4.9	50.3	2.7	1.0 (+2.1%)	2.2 (+82.5%)
Other	148.2	4.1	140.4	4.7	7.7 (+5.5%)	-0.5 (-12.3%)

Domestic Air Transportation

Revenue given in billion yen (rounded down)

	FY 2006 Q1 - Q3	FY2005 Q1 - Q3	Difference	%
Revenue	556.5	524.6	31.9	+6.1
Passengers (1,000 pax)	35,413	34,711	702	+2.0
ASK (million km)	47,105	46,128	977	+2.1
RPK (million km)	30,907	30,241	665	+2.2
Load factor (%)	65.6	65.6	0.0	--

## International Air Transportation

Revenue given in billion yen (rounded down)

	FY 2006 Q1 - Q3	FY2005 Q1 - Q3	Difference	%
Revenue	209.7	173.0	36.7	+21.2
Passengers (1,000 pax)	3,388	3,054	334	+10.9
ASK (million km)	19,679	18,980	699	+3.7
RPK (million km)	15,089	14,005	1,083	+7.7
Load factor (%)	76.7	73.8	2.9	--

## Cargo

Revenue given in billion yen (rounded down)

		FY 2006 Q1 - Q3	FY2005 Q1 - Q3	Difference	%
Domestic	Revenue	23.4	22.5	0.8	+3.8
	Freight carried (1,000 tonne)	350	335	15	+4.4
	Freight Tonne Kilometres (mil)	338	324	13	+4.1
International	Revenue	46.3	40.9	5.3	+13.1
	Freight carried (1,000 tonne)	206	185	20	+11.0
	Freight Tonne Kilometres (mil)	931	846	85	+10.0

## Financial Results for the Three Months Period, Oct 1 – Dec 31

Consolidated

Unit: billion yen (rounded down)

	FY 2006 Q3	FY 2005 Q3	difference	%
Operating revenue	381.6	347.2	34.4	+ 9.9
Operating cost	358.7	326.9	31.8	+ 9.7
Operating profit	22.9	20.3	2.5	+ 12.7
Non-operating revenue	-8.1	-4.4	-3.7	-----
Recurring profit	14.7	15.9	-1.1	- 7.2
Extraordinary profit/loss	1.4	1.3	0.1	+ 4.2
Net profit	9.3	10.1	-0.8	- 8.5

By Business Segment

Unit: billion yen (rounded down)

	FY 2006 Q3		FY2005 mid-term		difference (% difference)	
	Revenue	Op profit	Revenue	Op profit	Revenue	Op profit
Air Transport	320.6	19.0	284.6	16.1	36.0 (+12.7%)	2.9 (+18.0%)
Travel	49.1	0.4	48.1	0.9	1.0 (+2.1%)	-0.5 (-53.3%)
Hotels	17.9	1.7	17.9	1.7	0	0
Other	48.6	1.7	47.5	1.7	1.1 (+2.3%)	0