

## ANA Reports Profit for Fiscal Year 2006

– three consecutive years of record revenue, two of record operating profit –  
– passenger load exceeds 50 million for first time–

**TOKYO April 27, 2007** ANA Group today posted a record consolidated operating profit of ¥92.1 billion on a record consolidated revenue of ¥1.48 trillion for the twelve months ended March 31, 2007. This represents a year-on-year improvement of 3.8% and 8.8 % respectively. Consolidated net profit for the period was ¥32.6 billion, the second highest in ANA's history and 22.2% better than the FY2005. The Group's highest net profit was posted in FY 2000. Costs incurred by the return of leased aircraft resulted in a 6.3% drop in recurring profit to ¥62.5 billion.

“We have seen strong demand for both business and leisure travel in tandem with the performance of the Japanese economy as whole,” said Mineo Yamamoto, President and CEO of ANA. “Coupled with improvements to our network, more flights and new fares, these have contributed to the excellent results announced today”. “However, profit has been squeezed by a fuel bill that is 31.3% higher than last year. We will keep doing our best to tackle rising costs, and thank our customers, who have had to share part of that burden, for their loyalty,” he continued.

### Air Transportation Segment

ANA Group consists of airlines, travel, hotel operations and other businesses. On a consolidated basis, Groups airlines alone accounted for revenue of ¥1.24 trillion and an operating profit of ¥79.7 billion. They carried a record 51 million passengers over 60.7 billion Revenue Passenger Kilometers (RPK), of which 40.6 billion were domestic and 20.1 billion international.

### Domestic Passenger Services

In spite of increasingly fierce competition on trunk routes, ANA held its own by stimulating demand for services with the *Tabiwari* promotional fare, which was introduced in April, and a consolidated push to market Okinawa, Japan's southernmost, sub-tropical island chain. In an effort to increase its competitive muscle, ANA also upped the number of domestic flights configured with Super Seat Premium – the equivalent of business class – and rolled out its SKIP service at airports across Japan. SKIP allows passengers to check-in on-line anywhere and proceed straight to security, and onto their flight, without physically passing airport check-in counters.

All in all, the number of passengers carried on domestic routes increased 2.2%, despite 2006 being a year with no specific events to stimulate demand, such as the previous year's Aichi World Expo, which buoyed up the number of passengers travelling on domestic services in 2005.

### **International Passenger Services**

For the period under review, international passenger numbers grew 10.1% to a record 4.6 million with revenue increasing by 21.5% to ¥278.4 billion, also a record.

Strong demand for business travel continued unabated throughout FY2006. In addition, leisure travel demand grew strongly, stimulated by marketing campaigns for the *Ecowari* promotional fare and for destinations in China. The addition of Chicago to ANA's North America network, more flights to Singapore and China, and the down-gauging of aircraft to better match demand on flights between Osaka (Kansai) Qingdao and Xiamen in China, contributed to the successful result in terms of revenue and passenger numbers.

Travel to, from and via Narita Airport was significantly improved by the move to new facilities in the South Wing of Terminal 1, together with ANA's fellow Star Alliance member carriers. Not only were connecting times shortened, but the whole experience was made more convenient and simple by the introduction of shared facilities, including new lounges, and common use self service kiosks equipped with ANA's Smart e-Service, which allow passengers to collect their boarding pass in a matter of seconds.

### **Cargo**

Both domestic and international services saw increased loads and revenue. When combined with mail services, total revenues exceeded ¥100 billion for the first time.

On domestic routes, increased economic activity spurring demand and an increase in the number of late night cargo flights contributed to a 3.1% increase in revenue and a 3.6% increase in Revenue Tonne Kilometres (RTK) flown.

International cargo services performed particularly well with increases in loads, revenue and RTKs in excess of 10% respectively. This strong performance can be attributed to increased flights to North America, China and the rest of Asia.

## **Forecast for FY2007**

Strong demand for air transportation is expected in line with continued economic recovery in Japan. Taking this and the further differentiation of ANA's products and services in to consideration, it is expected that the Airline Segment of ANA Group will secure additional revenue of approximately ¥63.0 billion. However, as the Hotel Segment will no longer exist, effectively removing the operating profit of ANA's hotels business, Group consolidated operating profit is expected to remain around the same level as this year.

The posting of an extraordinary profit on the sale of ANA's hotel holdings is expected to boost consolidated net profit to record levels, despite a forecast extraordinary loss on the accelerated retirement of aircraft to renew the fleet. The price of fuel is expected to continue at an elevated level, exerting strong downward pressure on consolidated operating profit and recurring profit.

For the first time since FY 1992, ANA is expecting to pay a dividend of ¥5 per share.

For details, please refer to the charts below.

## **Contact**

Rob Henderson, ANA Public Relations: [r.henderson@ana.co.jp](mailto:r.henderson@ana.co.jp)

## **Notes for Editors**

- All monetary figures are given in billions of yen rounded down, percentages are rounded up. All comparisons are year-on-year.
- ANA Group airlines comprise: All Nippon Airways (ANA), Air Nippon (ANK) Air Japan (AJX), Air Nippon Network (A-Net), Air Central (CRF).

## Consolidated Financial Results

Unit: billion yen (rounded down)

	FY 2006	FY 2005	difference	%
Operating revenue	1,489.6	1,368.7	120.8	+8.8
Operating cost	1,397.4	1,279.9	117.4	+9.2
Operating profit	92.1	88.8	3.3	+3.8
Non-operating revenue	-29.6	-22.0	-7.5	--
Recurring profit	62.5	66.7	-4.1	-6.3
Extraordinary profit/loss	-11.5	-14.3	2.8	--
Net profit	32.6	26.7	5.9	+22.2

## Financial Results by Segment

Unit: billion yen (rounded down)

	FY 2006		FY2005		difference	
	Revenue	Op profit	Revenue	Op profit	Revenue	Op profit
Air Transport	1,248.7	79.7	1,132.6	74.1	116.1	+5.6
Travel	208.0	1.9	199.4	3.2	8.5	-1.2
Hotels	66.6	5.2	66.3	4.6	0.2	+0.5
Other	196.8	5.6	190.9	6.7	5.9	-1.1

## Domestic Air Transportation

Revenue given in billion yen (rounded down)

	FY 2006	FY2005	Difference	%
Revenue	726.0	685.0	40.9	+6.0
Passengers (1,000 pax)	46,471	45,474	997	+2.2
ASK (million km)	62,414	60,973	1,441	+2.4
RPK (million km)	40,564	39,712	851	+2.1
Load factor (%)	65.0	65.1	-0.1	--

## International Air Transportation

Revenue given in billion yen (rounded down)

	FY 2006	FY2005	Difference	%
Revenue	278.4	229.2	49.2	+21.5
Passengers (1,000 pax)	4,552	4,135	418	+10.1
ASK (million km)	26,607	25,338	1,269	+5.0
RPK (million km)	20,145	18,769	1,376	+7.3
Load factor (%)	75.7	74.1	1.6	--

## Cargo

Revenue given in billion yen (rounded down)

		FY 2006	FY2005	Difference	%
Domestic	Revenue	30.5	29.6	0.9	+3.1
	Freight carried (1,000 tonne)	458	441	17	+3.9
	Freight Tonne Kilometres (mil)	442	427	15	+3.6
International	Revenue	62.1	55.3	6.8	+12.3
	Freight carried (1,000 tonne)	278	249	29	+11.6
	Freight Tonne Kilometres (mil)	1,271	1,135	136	+12.0

## Forecast for Fiscal Year 2007

Unit: billion yen (rounded down)

FY2007 Forecast	Forecast	Difference
Operating Revenue	1,490	+0.4
Operating profit	79.0	-13.1
Recurring profit	46.0	-16.5
Net profit	64.0	+31.4
Dividend per share (¥)	5.0	+2.0

