

## ANA Reports Profitable Start to FY2007

– record revenue and net profit income at the end of the first quarter –

TOKYO July 31, 2007 ANA Group today reported record consolidated revenue of almost ¥350 billion, and a record net profit income of ¥87 billion for the first quarter of fiscal year 2007, ended June 30.

ANA Group consists of airlines, travel, and other businesses, and at the end of the last financial year also owned and operated a chain of hotels.

Within the airline segment, increased revenues were posted for both domestic and international operations, compared with the same period in the previous year, despite greater competition in the aviation market.

The disposal of ANA's hotel business on June 1 this year and its removal from the balance sheet had no negative impact on this quarter's consolidated revenue, which in fact exceeded that of 2006. The extraordinary gain arising from the disposal of the hotels contributed to a record net profit, allowing ANA to improve its financial base and reducing its debt to equity ratio to 1.3 times.

However, the high price of jet fuel added approximately ¥11.1 billion to costs, despite ANA's best efforts to curb them elsewhere, squeezing recurring profit and operating profit income.

### Consolidated Financial Performance

unit: billion yen (rounded down)

	FY 2007 Q1	FY 2006 Q1	Difference	%
Revenue	349.6	345.2	+4.3	+1.3
Operating costs	336.3	325.6	+10.7	+3.3
Operating Income	13.2	19.5	-6.3	-32.3
Non-operating revenue	-6.4	-5.0	-1.3	
Recurring profit	6.8	14.4	-7.6	-53.0
Extraordinary Profit	132.3	-0.9	+133.3	
Net profit income	87.3	7.6	+79.6	+1,037.2

## Performance by business segment (consolidated)

unit: billion yen (rounded down)

	FY 2007 Q1		FY 2006 Q1		Difference	
	Revenue	Operating profit	Revenue	Operating profit	Revenue	Operating profit
Air Transport	305.9	12.1	287.8	17.4	+18.1	-5.2
Travel	46.6	0.1	45.1	0.3	+1.5	-0.1
Hotel			16.2	1.0	-16.2	-1.0
Others	47.7	0.9	45.9	0.6	+1.8	-0.3

## Domestic Air Transport

Competition grew fiercer during the period under review, and demand for domestic travel fell slightly compared with the previous year, a fact attributed to elections held in Japan in April. However, effective yield management, and a 4.7% increase in unit price, meant that domestic revenue actually grew 1.4% year-on-year.

## Domestic Air Transport Performance

revenue given as billion yen (rounded down)

	FY 2007 Q1	FY 2006 Q1	Difference	%
Revenue	169.7	167.3	+2.3	+1.4
No of passengers (x1,000)	10,757	11,107	-350	-3.1
Available Seat km (million km)	15,476	15,270	+206	+1.3
Revenue Passenger km (million km)	9,299	9,630	-332	-3.4
Load Factor (%)	60.1	63.1	-3.0	

## International Air Transport

Passenger numbers and unit price increased throughout the period, buoyed by demand for business travel. North American routes performed particularly well, including Tokyo-Chicago, which was launched in October last year. Increased passenger numbers were also reported on routes to China.

All in all, ANA's international network performed strongly, with revenue growth outstripping growth in capacity as measured in Available Seat Kilometers (ASKs).

### International Air Transport Performance

revenue given as billion yen (rounded down)

	FY 2007 Q1	FY 2006 Q1	Difference	%
Revenue	76.3	65.0	+11.3	+17.4
No of passengers (x1,000)	1,153	1,092	+62	+5.6
Available Seat Kilometers (million km)	7,023	6,457	+566	+8.8
Revenue Passenger Kilometers (million km)	5,167	4,923	+243	+4.9
Load Factor (%)	73.6	76.2	-2.6	

### Cargo

International cargo services performed particularly well, with revenue and loads carried increasing by 20% or more. This can be attributed to significantly greater capacity, and an improved network, in line with the introduction of new aircraft, including those on wet lease from ABX of the USA.

Although competition increased on the domestic front, revenues remained at almost the same level as the previous year.

### Cargo Performance

revenue given as billion yen (rounded down)

		FY2007 Q1	FY2006 Q1	Difference	%
Domestic	Revenue	7.3	7.3	0.0	+0.5
	Freight carried (1,000 tonnes)	108	108	0	+0.4
	Tonne Kilometers (mil)	105	104	0	+0.3
International	Revenue	16.7	13.8	+2.8	+20.4
	Freight carried (1,000 tonnes)	78	62	+16	+26.3
	Tonne Kilometers (mil)	380	282	+98	+34.6

## Outlook for FY2007

ANA expects healthy growth for both international cargo and international passenger operations as it continues to add capacity to its network. On the domestic front, it will persevere with efforts to spur demand for travel within Japan, and expects passenger numbers to return to former levels as the year progresses, despite increased competition at home. The price of jet fuel will continue to squeeze profits, within expected limits, and as such no revision will be made to the forecast given at the end of the last fiscal year.

	FY2007 full year forecast	FY2006 full year results	Difference
Revenue	1,490.0	1,489.6	0.4
Operating profit/income	79.0	92.1	-13.1
Recurring Profit	46.0	62.5	-16.5
Net Income/Profit	64.0	32.6	31.4

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## 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).