

ANA Financial Results for the First Quarter of Fiscal Year 2009

-- H1N1 flu compounds global recession causing operating and net losses --

TOKYO July 31, 2009 ANA Group today announced its financial results for the first quarter of the current fiscal year, ending June 30, 2009. Consolidated revenue dropped 21.9% year-on-year to ¥269.8 billion, leading to an operating loss of ¥42.4 billion for the three month period April 1 to June 30, despite a fall in costs of 5.6% to ¥312.3 billion. A net loss of ¥29.2 billion was reported.

"Beset by H1N1 influenza, which came on top of the global recession to further suppress demand to levels not seen before, the three month period under review was tough in the extreme," said Tomohiro Hidema, ANA's Executive Vice President, Finance. "Individual consumption in Japan was down, as companies saw tumbling revenues across the board and capital investment fell. While we managed to achieve around 6% in cost-savings in this quarter, continuing the trend from last year, this was far outweighed by the fall in revenue.

Looking forward to the next three months, the effect of H1N1 lessened as we moved into July and for the summer we are doing our best to stimulate demand for leisure travel. We thus expect an improvement in passenger numbers, albeit slight. In order to keep the impact of the first quarter fall in revenue on the entire year to a minimum, from the second quarter we shall implement an Emergency Income Recovery Plan to the tune of ¥30 billion. This is in addition to our plans to cut a further ¥73 billion in costs, our most ambitious cost reduction effort to date.

On the cargo front, volumes are improving, particularly on our China and other Asia routes, and we expect this to continue beyond the second quarter, bolstered by a flexible charging policy," he continued.

The following results refer to the three month period April 01, 2009 – June 30, 2009.

Consolidated Financial Performance

unit: billion yen (rounded down)

	1Q/ 2009	1Q/ 2008	Change	%Y/Y
Revenue	269.8	345.5	-75.6	-21.9
Operating costs	312.3	330.9	-18.6	-5.6
Operating profit/ loss	-42.4	14.6	-57.0	---
Non-operating profit/ loss	-7.0	-3.5	-3.5	---
Recurring profit/ loss	-49.4	11.0	-60.5	---
Extraordinary profit/ loss	1.4	0.9	+0.4	+54.5
Net profit/ loss	-29.2	6.6	-35.8	---

ANA Group consists of airlines, travel and other businesses. Each business segment performed as follows:

Performance by business segment (consolidated)

unit: billion yen (rounded down)

	1Q/ 2009		1Q/ 2008		Change	
	Revenue	Operating profit	Revenue	Operating profit	Revenue	Operating profit
Air Transport	236.8	-41.5	307.5	14.5	-70.7	-56.0
Travel	33.6	-1.2	41.5	-0.4	-7.8	-0.7
Others	33.8	0.1	36.5	0.3	-2.6	-0.2

Domestic Air Transport

Against a background of falling demand for business travel, ANA strongly pushed individual leisure sales in the form of its advance purchase “Tabiwari” fares, and introduced a special fare for senior citizens, in order to stimulate demand. However, H1N1 influenza began to bite in mid May, and passenger numbers continued to fall. To counter this, ANA suspended service on certain routes in tandem with demand and reduced capacity or frequency on others, and in doing so managed to reduce its costs.

Domestic Air Transport (consolidated)

revenue given as billion yen (rounded down)

	1Q/ 2009	1Q/ 2008	Change	% Y/Y
Revenue	138.6	166.4	-27.8	-16.7
No of passengers (x1,000)	9,030	10,453	-1,442	-13.6
Available Seat Kilometres (million km)	14,318	14,923	-605	-4.1
Revenue Passenger Kilometres (million km)	7,948	9,082	-1,133	-12.5
Load Factor (%)	55.5	60.9	-5.3	---

International Air Transport

In line with domestic, ANA tried to spur demand for individual leisure travel on international routes with a series of promotional fares designed to take advantage of the fall in the Fuel Surcharge from April 1. This initially bore fruit in the Golden Week holiday period, which saw more customers travelling than in the previous year. However, restrictions on business travel and cancellations to leisure travel in the wake of H1N1 influenza continued the overall downward trend. Unit price worsened because of the fall in business travel and the lower Fuel Surcharge.

Again, in line with domestic, ANA temporarily reduced and/or suspended services on certain routes in order to improve efficiency, and further tightened its matching of supply to demand by down-sizing aircraft on others.

International Air Transport (consolidated)

revenue given as billion yen (rounded down)

	1Q/ 2009	1Q/ 2008	Change	% Y/Y
Revenue	43.8	78.5	-34.6	-44.1
No of passengers (x1,000)	970	1,148	-178	-15.5
Available Seat Kilometres (million km)	6,669	7,086	-417	-5.9
Revenue Passenger Kilometres (million km)	4,446	5,121	-675	-13.2
Load Factor (%)	66.7	72.3	-5.6	---

Cargo

Domestic cargo volumes dropped overall year-on-year, however home parcel delivery services using flights centred on Okinawa held steady. Although international volumes also fell overall, demand began to gradually return from March this year, with shipments to China, Taipei and Seoul actually outperforming the same term of the previous year.

Cargo (consolidated)

revenue given as billion yen (rounded down)

		1Q/ 2009	1Q/ 2008	Change	% Y/Y
Domestic	Revenue	7.6	8.0	-0.4	-5.3
	Freight carried (1,000 tonnes)	109	113	-4	-3.6
	Tonne Kilometres (mil)	108	110	-1	-1.3
International	Revenue	10.2	19.6	-9.3	-47.7
	Freight carried (1,000 tonnes)	86	97	-10	-10.9
	Tonne Kilometres (mil)	388	459	-70	-15.4

Outlook for FY2009

As the effect of H1N1 influenza wanes and ANA's efforts to spur demand into the second quarter take hold, along with its income recovery and cost reduction plans, demand for both passenger and cargo services is expected to show some improvement. Consequently, no change will be made to the forecast announced on April 30 this year.

Forecast for FY 2009 (April 1, 2009 – March 31, 2010)

unit: billion yen (rounded down)

	FY 2009	FY 2008	Change
Revenue	1,350	1,392.5	-42.5
Operating profit	35	7.5	+27.4
Recurring profit	5	0	+4.9
Net profit	3	-4.2	+7.2

Contact

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

Notes for Editors

- All monetary figures are given in billions of yen rounded down; other figures and 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 Next (NXA) and Air Central (CRF).