

## **Korean Air Announces 2012 Q2 Results with Return to Operating Profit**

**Seoul, Korea (19 July, 2012)** – Korean Air, South Korea’s flagship airline, announced today its financial results for the second quarter of 2012 ended June 30, 2012.

The airline posted operating income of 3,119 billion KRW for the second quarter of 2012, a year-on-year increase of 9.9%. Operating profit turned to black from a loss of 38 billion KRW in the same period of last year to a profit of 100 billion KRW. International passenger and cargo businesses remained the major revenue contributors for the airline, accounting for 56.8% and 25.1% of the operating revenue respectively.

### **International Passenger Business**

During the second quarter of 2012, it saw increased traffic across all routes, including the Commonwealth of Independent States (CIS, up 41%), Japan (up 28%), China (up 18%) and Europe (up 15%). International passenger segment recorded a year-on-year growth of 10.1% and 9.0% in passenger traffic and carrying capacity, reaching 16,232 million RPK and 20,540 million ASK respectively. Overseas outbound traffic lifted 18%, with 21% and 15% increase in Korea inbound traffic and transit respectively.

To cater the growing demand in summer, the airline will increase passenger carrying capacity in high demand routes. With the introduction of new Incheon – Yangon route in the third quarter, as well as stepping up frequency on selected routes, such as Incheon – Jinan, Incheon-Kunming, Incheon-Okayama, Incheon – Guam, Incheon – Paris etc., the airline sees potential growth in passenger traffic.

With stabilized jet fuel price and exchange rate, the airline is expected to see improvement in profitability.

### **Cargo Business**

Cargo traffic recorded a year-on-year fall of 12.2% to 2,013 million FTK as it saw a Y-o-Y decrease of 9% in Korea outbound traffic and transit traffic respectively. While transit traffic from Japan reported a slump, transit traffic from Oceania recorded increase of 47%. Direct flight between Shanghai and Americas was also put into operation in the second quarter.

Benefiting from the London Olympic Games and seasonal high demand in the third quarter, cargo traffic is expected to recover gradually. In an attempt to address environmental issues and high jet fuel price, Korean Air will introduce fuel efficient and environmental friendly aircraft to the fleet. The airline will strive to enhance profitability and sustain growth by developing new markets such as South America and Africa.

Korean Air will continue to expand its business prudently while enhancing the quality of its service for the remaining of the year. With its long-standing commitment to achieving “Excellence in Flight”, Korean Air aims to provide the best quality to its customers while bringing the best returns to its shareholders.

\* Exchange rate on June 30, 2012: 1 US Dollar = 1,153.8 KRW

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**About Korean Air**

Korean Air, with a fleet of 148 aircraft, is one of the world's top 20 airlines, and operates more than 400 flights per day to 121 cities in 41 countries. It is a founding member of the SkyTeam alliance, which together with its 17 members, offers its 531 million annual passengers a worldwide system of more than 14,816 daily flights covering 983 destinations in 178 countries.

In 2011, Business Traveler named Korean Air the best Asian airline for the fifth consecutive year, while Global Traveler awarded the airline with best airline in northern Asia and best airport staff/gate agent. The carrier won the 2010 global travel catering distinction award by Pax International magazine while World Traveler magazine rated it as having the world's best inflight service. Travel & Leisure magazine readers say it is one of the world's top 10 international airlines and readers of Conde Nast Traveler magazine voted Korean Air one of the world's top ten global airlines.

More on Korean Air's programmes, routes, frequencies and partners is available at [www.koreanair.com](http://www.koreanair.com).