

PRESS RELEASE

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AAPA 2007 Financial Performance **Successful year for leading Asia Pacific airlines**

Kuala Lumpur, Malaysia – Preliminary financial performance figures for 2007 released today by the Association of Asia Pacific Airlines showed that leading Asia Pacific airlines had a successful year. Combined revenues reached USD103 billion, 11% higher than the USD93 billion reported in 2006. International passenger traffic volumes set a new record, growing by 4.2%, and the passenger load factor rose to a record high of 77.1%. The volume of international air cargo carried also set a new record, although the growth rate was a more modest 2.7%.

Overall, AAPA member airlines reported aggregate profits of USD 5.2 billion, representing a 5% net margin, a marked improvement on the 3% net margin recorded in 2006. Carriers benefited from prudent capacity management and tight cost controls, despite the impact of high oil prices which resulted in a fuel bill of USD27 billion, representing almost 30% of total airline costs.

Commenting on the results, Mr. Andrew Herdman, AAPA's Director General said, "Asia Pacific airlines delivered some excellent results in 2007, with strong regional economies boosting demand for both business and leisure travel. Tight cost controls and prudent capacity management led to improved margins, despite the impact of persistently high oil prices."

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Mr. Herdman added: "After a very successful 2007, Asia Pacific airlines are well placed to meet both the opportunities and challenges which lie ahead. So far this year, we're still seeing steady growth in both passenger and cargo demand, but there is a growing sense of unease about the likely impact of slowing global economic growth coupled with cripplingly high oil prices. Airlines are therefore bracing themselves for some turbulence in the remainder of the year."

AAPA 2007 FINANCIAL PERFORMANCE – PRELIMINARY

		2007	2006	Change
Revenue	USD billion	103.1	93.3	+ 11.0 %
Net Profit	USD billion	5.2	2.8	+ 88.0 %
Net Margin	%	5.0	3.0	+ 2.1 p.p.

-ENDS-

Association of Asia Pacific Airlines (AAPA)

The AAPA is the trade association of major scheduled international airlines based in the Asia-Pacific region. The AAPA permanent secretariat is headquartered in Kuala Lumpur, Malaysia with international representation in Brussels and Washington, D.C. Collectively, the 17 AAPA member airlines carry 290 million passengers and 10 million tonnes of cargo representing approximately one-fifth of global passenger traffic and one-third of global air cargo traffic respectively, and thus play a critically important role in the ongoing development of global aviation.

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