



# **October 2004 Monthly Operating Result Summary**

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## **International Passenger Traffic Increased by 9.7%; Cargo Surged by 12.3%**

**October is generally a strong month for cargo carriers.** Korean Air Cargo, aiming to become the world's number one carrier by 2007, is expecting strong performance for the year.

In domestic passenger service, number of domestic passengers carried decreased by 21% during the month as a result of the suspension on Jeju~Kunsan route. In response to the decreasing demand for domestic air travel, Korean Air plans to further cut unprofitable domestic routes.

On the other hand, number of passengers traveling abroad rose by 9.7% compared to the figures from last year. Yield, in KRW, also improved by 10.3% due to the strong demand on America, Japan and China routes.

For America routes, despite the additional flights that had been added to Los Angeles and Atlanta, both load factor and yield rose by 4.9%p and 18.6% respectively. Japan routes also showed a strong growth of 19.6% due to an economic recovery and growing number of Japanese tourists visiting Korea.

Number of passengers traveling to China increased by 36.1% during the month and by 57.8% in the year. Recently Korean Air has announced an ambitious plan that will bring in revenue of 2 trillion KRW from the China market alone.

As for the Korean Air Cargo, the Cargo unit achieved two-digit growth in revenue, boosted by implementation of shipping charge increase, as well as strong cargo demand. As a result, the Freight Ton per Kilometers (FTK) in October increased by 12.3% compared to the figures from last year.

Shipping to European destinations, in particular, were helped by strong demand from semi-conductor and LCD industries, as well as by an increase in demand for shipments departing from Japan to the cities in Europe. In order to meet the surging demand, more than four additional weekly flights have been added to the European routes, helping Korean Air gain a year-on-year increase in FTK of more than 24.5%. On the other hand, despite the reduced number of flights bound for Southeast Asia, fare increases and higher load factor lifted revenue by 21.2% and tons carried by 9.1% compared to last year.

PASSENGER		ASK (millions)			RPK (millions)			Load Factor		
		2004	2003	Change	2004	2003	Change	2004	2003	Change
O C T O B E R	Domestic	471.5	596.8	-21.0%	304.3	385.4	-21.0%	64.5%	64.6%	-0.1%p
	Japan	359.5	319.9	12.4%	277.6	232.1	19.6%	77.2%	72.5%	4.7%p
	China	188.0	140.5	33.9%	128.9	94.7	36.1%	68.5%	67.4%	1.1%p
	SE Asia	869.9	849.1	2.4%	568.2	601.7	-5.6%	65.3%	70.9%	-5.6%p

	Oceanic	533.3	569.7	-6.4%	366.2	388.8	-5.8%	68.7%	68.2%	0.5%p
	America	2,030.6	1,865.4	8.9%	1,502.4	1,288.1	16.6%	74.0%	69.1%	4.9%p
	Europe & M. East	968.7	752.5	28.7%	665.1	591.9	12.4%	68.7%	78.7%	-10.0%p
	<i>Int'l total</i>	<i>4,950.0</i>	<i>4,497.1</i>	<i>10.1%</i>	<i>3,508.3</i>	<i>3,197.2</i>	<i>9.7%</i>	<i>70.9%</i>	<i>71.1%</i>	<i>-0.2%p</i>
	<b>Total</b>	<b>5,421.5</b>	<b>5,094.0</b>	<b>6.4%</b>	<b>3,812.6</b>	<b>3,582.6</b>	<b>6.4%</b>	<b>70.3%</b>	<b>70.3%</b>	<b>0.0%p</b>
C U M U L A T I V E	Domestic	5,392.5	5,814.8	-7.3%	3,308.3	3,715.7	-11.0%	61.3%	63.9%	-2.6%p
	Japan	3,320.8	2,957.5	12.3%	2,479.2	2,006.2	23.6%	74.7%	67.8%	6.9%p
	China	1,655.7	1,112.9	48.8%	1,111.6	704.4	57.8%	67.1%	63.3%	3.8%p
	SE Asia	8,563.5	6,863.9	24.8%	5,913.6	4,712.2	25.5%	69.1%	68.7%	0.4%p
	Oceanic	5,926.9	5,791.4	2.3%	3,953.2	3,846.9	2.8%	66.7%	66.4%	0.3%p
	America	20,297.9	19,411.1	4.6%	15,721.6	13,355.8	17.7%	77.5%	68.8%	8.7%p
	Europe & M. East	8,665.6	6,873.5	26.1%	6,047.2	4,976.9	21.5%	69.8%	72.4%	-2.6%p
	<i>Int'l total</i>	<i>48,430.4</i>	<i>43,010.3</i>	<i>12.6%</i>	<i>35,226.4</i>	<i>29,602.4</i>	<i>19.0%</i>	<i>72.7%</i>	<i>68.8%</i>	<i>3.9%p</i>
	<b>Total</b>	<b>53,823.0</b>	<b>48,825.1</b>	<b>10.2%</b>	<b>38,534.7</b>	<b>33,318.1</b>	<b>15.7%</b>	<b>71.6%</b>	<b>68.2%</b>	<b>3.4%p</b>

CARGO	AFTK (millions)			FTK (millions)			Load Factor			
	2004	2003	Change	2004	2003	Change	2004	2003	Change	
O C T O B E R	Domestic	14.1	21.6	-34.8%	9.2	9.5	-2.2%	65.7%	43.8%	21.9%p
	Japan	19.0	17.2	10.5%	14.6	13.5	8.7%	77.1%	78.3%	-1.2%p
	China	13.3	8.8	50.7%	9.7	6.6	47.7%	73.1%	74.6%	-1.5%p
	SE Asia	139.7	141.4	-1.2%	111.3	102.0	9.1%	79.6%	72.1%	7.5%p
	Oceanic	18.4	21.1	-12.6%	13.2	14.5	-9.1%	71.4%	68.7%	2.7%p
	America	529.8	522.7	1.4%	398.2	368.2	8.2%	75.2%	70.4%	4.8%p
	Europe & M. East	288.0	206.1	39.8%	218.6	175.6	24.5%	75.9%	85.2%	-9.3%p
	<i>Int'l total</i>	<i>1,008.3</i>	<i>917.3</i>	<i>9.9%</i>	<i>765.6</i>	<i>680.2</i>	<i>12.5%</i>	<i>75.9%</i>	<i>74.2%</i>	<i>1.7%p</i>
	<b>Total</b>	<b>1,022.3</b>	<b>938.8</b>	<b>8.9%</b>	<b>774.8</b>	<b>689.7</b>	<b>12.3%</b>	<b>75.8%</b>	<b>73.5%</b>	<b>2.3%p</b>
C U M U L A T I V E	Domestic	168.8	191.8	-12.0%	88.2	84.6	4.3%	52.3%	44.1%	8.2%p
	Japan	173.7	163.7	6.1%	129.0	115.4	11.7%	74.3%	70.5%	3.8%p
	China	114.9	69.7	64.9%	75.7	49.6	52.7%	65.9%	71.1%	-5.2%p
	SE Asia	1,382.7	1,269.9	8.9%	1,086.3	924.7	17.5%	78.6%	72.8%	5.8%p
	Oceanic	193.2	186.8	3.5%	120.1	137.9	-13.0%	62.1%	73.8%	-11.7%p

America	4,785.5	4,442.0	7.7%	3,620.2	3,108.3	16.5%	75.6%	70.0%	5.6%p
Europe & M. East	2,316.2	1,710.9	35.4%	1,797.0	1,335.3	34.6%	77.6%	78.0%	-0.4%p
<i>Int'l total</i>	8,966.1	7,843.0	14.3%	6,828.2	5,671.4	20.4%	76.2%	72.3%	3.9%p
<b>Total</b>	<b>9,135.0</b>	<b>8,034.8</b>	<b>13.7%</b>	<b>6,916.4</b>	<b>5,755.9</b>	<b>20.2%</b>	<b>75.7%</b>	<b>71.6%</b>	<b>4.1%p</b>

		October			Cumulative (Jan-Oct)		
		2004	2003	Change	2004	2003	Change
Carried Person	Domestic	857,972	1,136,089	-24.5%	9,474,469	10,896,115	-13.0%
	International	895,201	807,218	10.9%	8,622,727	7,070,785	21.9%
	<b>Total</b>	<b>1,753,173</b>	<b>1,943,307</b>	<b>-9.8%</b>	<b>18,097,196</b>	<b>17,966,900</b>	<b>0.7%</b>
Carried Ton		186,116	168,875	10.2%	1,674,675	1,450,152	15.5%