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# AVIATION FINANCIAL NEWS

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**Company Name**

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**Country**

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*Adam Air*

Indonesia

After one of Adam Air's Boeing 737-400s skidded off the runway at Batam Island's Hang Nadim Airport, injuring five of the 176 passengers and crew onboard, the Indonesian Transport Minister, Jusman Syafii Djamal, warned that he may ground the airline.

*Aer Lingus*

Ireland

Aer Lingus has reported a 2007 net profit of €105.3 million compared to 2006's net loss of €9.9 million. Revenue rose 15.2% to €1.28 billion on a 7.8% growth in passengers to 9.3 million. Operating costs increased 15.1% to €1.19 billion. Operating profit before employee profit share came in at €88.5 million, up 16.4% 2006's €76 million.

*Air Berlin*

Germany

Air Berlin has reported a drop in profits for 2007, which came to €1 million, compared to 2006's €50.1 million profits. Revenue rose 61% to €2.54 billion but the operating profit fell 66.5% to €1.5 million from 2006's €4.2 million owing to "one-time charges in the double-digit millions resulting from the delayed LTU integration and issues associated with the technical integration of the IT systems." The airline said it was on track with the integration of LTU.

*Air China/China Eastern  
Airlines/Cathay Pacific  
Airways*

China/Hong Kong

Air China said it has plans to make Cathay Pacific Airways its partner in its bid for China Eastern Airlines. It believes such a move would help improve CEA's management and hopes the carrier reverses its decision and accepts Air China's offer.

*Air France-KLM*

France/Netherlands

It has been reported that the chief executive of Air France-KLM, Jean-Cyril Spinetta, may retire in October but stay on as chairman. Mr Spinetta becomes 65 in October. The report said Air France managing director Pierre-Henri Gourgeon could succeed him.

*Air One/Alitalia*

Italy

Italy's top court has rejected Air One's request to overturn a lower court ruling allowing Alitalia and Air France-KLM to continue exclusive talks, which has resulted in a formal bid for the Italian flag carrier.

*AirBaltic*

Latvia

AirBaltic is take delivery of at least eight BombardierQ400 NextGen aircraft starting 2009 and will hold options for four more. The new aircraft will replace F50s. AirBaltic also plans to add two Boeing 757-200s and three 737-300s in 2008.

*Alaska Air*

USA

Company Name	Country
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Alaska Air's board of directors have approved a stock repurchase program to purchase up to \$50 million of its common stock. The company has just repurchased 4,113,782 shares, or 10 percent of the outstanding stock at average price of \$24.31 per share.

*Alitalia/Air France-KLM*

Italy/France

It has been reported that Alitalia's unions would meet Alitalia and Air France management to discuss proposals concerning a possible takeover of the Italian carrier by Air France-KLM. Air France-KLM has decided to make a formal offer for Alitalia but only if the airline's unions agree to co-operate fully with a restructuring. A takeover of Alitalia is expected to result in 1,700 job losses, about 15% of the workforce.

*Alpine Aviation*

USA

Alpine Aviation has increased its net income after taxes to \$1.1 million for the first quarter in 2008 up 26% compared to 2007. Revenue for the quarter ended January 31, 2008, was \$4.6 million down on 2007's \$4.8 million. This increase in profit is primarily due to increases in efficiency, reduced general and administrative expenses, and improved asset management.

*Austrian Airlines*

Austria

Austrian Airlines has achieved profits €1.5 million for 2007, compared to 2006's €1.6 million loss. The airline said the result was due to a "redimensioning of the long-haul segment produced a significant stabilization in our business model, and strengthened [the airline] overall". Full year revenue fell 4.2% to €2.55 billion and there was an 8.2% drop in expenses to €2.53 billion. Operating profit came to €9.1 million, compared to 2006's €3.3 million loss. The profit was due to closing loss making routes. Passenger numbers were level at 10.8 million but load factor rose 1 point to 75.1%. Also, Austrian Airlines is increasing the size of its regional aircraft. It will replace one 50-seat CRJ with an F100 and dispose of two additional CRJs and its two oldest Dash 8-300s flying for Tyrolean Airways. It will acquire four Q400s from SAS and put them into service with Austrian Arrows. Each aircraft will require €1.5 million in maintenance and modification. Also, Austrian Airlines principal shareholder, the state holding company OIAG, has reached a deal with Mohamed bin Iassa Al-Jaber to take a stake in the carrier through a capital increase. The investment of approximately €150 million will enable Austrian Airlines to purchase three A320s for operations to the Middle East. Austrian has a market capitalization of €480 million.

*Avianca*

Colombia

Avianca said it plans to spend over than \$7 billion through 2012 to renovate its fleet.

*Biman Bangladesh Airlines*

Bangladesh

Biman Bangladesh Airlines is reported to be considering ordering four Boeing 787-8s (for delivery in 2017) and four Boeing 777-300ERs (2013 delivery) for \$1.26 billion. These will be used to upgrade its long haul fleet.

*British Airways*

UK

British Airways said it intends to seek a High Court injunction to prevent its pilots from taking strike action after conciliated talks broke down. BA and its unions are in dispute over BA's new OpenSkies subsidiary, which is scheduled to commence Paris-New York JFK service in June using non-BALPA pilots.

*CHC Helicopter Corp*

Canada

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CHC Helicopter Corp has reported for its third-quarter, a profit of C\$6.5 million, compared with earnings of C\$12.8 million a share, a year earlier. Total revenues for the quarter rose to C\$321.9 million from C\$300.8 million in the same period of last year.

*China Southern Airlines* China

China Southern Airlines said it will shift its priorities from domestic routes to international expansion. The airline plans to open more international routes starting from Beijing to New York, London and Detroit, plus Guangzhou-Moscow by 2012 and its cargo business also will grow significantly.

*El Al Israel Airlines* Israel

El Al Israel Airlines is in talks with Boeing to buy four Boeing 777-200, for delivery starting in 2012. El Al said it would have the option to convert its purchase to 777-300s, with a decision to be taken by the year-end. The purchase is subject to approval of the airline's board.

*ExpressJet Holdings* USA

ExpressJet Holdings has reported a 2007 loss of \$70.2 million. The 2007 results reflect the transition of 69 aircraft from its capacity purchase agreement with Continental Airlines to three different types of flying. ExpressJet spent \$13.5 million in transition expenses and \$27.4 million in capital to launch these new segments.

*Lufthansa* Germany

Lufthansa has reported a net profit of €1.66 billion for 2007, compared to 2006's €803 million. Revenues rose 13% to €22.42 billion. The 2007 result was boosted by an extraordinary gain of €03 million from the sale of its shares in Thomas Cook. The result also includes Swiss International Air Lines earnings for the second half of 2007, the first time these have been incorporated into Lufthansa's full-year figures. The company attributed the revenue rise both to the effects of consolidation with Swiss and to growing passenger demand. Operating profit rose 63.1% to €1.38 billion from 2006's €845 million. Lufthansa also said "there is a high possibility" that it will acquire an airline in 2008 but any acquisition would be "friendly" rather than hostile.

*Lufthansa/KLM /Alitalia* Europe

European Commission trust busters raided the offices of several international airlines operating long-haul scheduled flights to Japan, in an investigation into suspected price-fixing. Lufthansa and KLM Royal Dutch Airlines both said they were involved in the probe. It also has been reported Alitalia was raided.

*Royal Jordanian* Jordan

Royal Jordanian has taken delivery of the first, of four, Airbus A319s. The second will be delivered in October and the remaining two in February and March 2009.

*Singapore Airlines* Singapore

Singapore Airlines has taken delivery of a third Airbus A380, which will be placed on the Singapore-London Heathrow service.

*Southwest Airlines* USA

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**Company Name****Country**

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Southwest Airlines has returned to service 34 of 38 Boeing 737 Classics, it temporarily grounded for inspection and operated a normal schedule. The other four aircraft will need "surface repairs" and expected to return to work in the near future.

*Spring Airlines***China**

Spring Airlines has reported a net profit of CNY70 million in 2007, more than twice 2006's result. Operating revenue increased to CNY1.23 billion. It has been reported that Spring's operating expenses were 18% lower than the domestic average.

*Tiger Airways***Singapore**

Tiger Airways is to increase services to regional Australia.