

October 2012

Korean Air Announces 2012 Q3 Results
With operating profit of more than 300 billion Korean Won
And Aerospace Business Division Shines

Seoul, Korea (25 October, 2012) - Korean Air, South Korea's flagship airline, has today announced its financial results for the third quarter of 2012 ending September 30, 2012.

Despite global external conditions, the airline posted net income of 340 billion KRW for the third quarter of 2012, with operating profit of 313 billion KRW showing a 30.5% increase on the same period in 2011.

International passenger and cargo businesses remained the major revenue contributors for the airline, accounting for 61.7% and 22.6.% of the total sales. Total sales for the two divisions amounted to 2.7 trillion KRW for Q3 2012.

The rising star of the company is, however, the Aerospace Business Division accounting for 3.7% of the revenue but contributing an impressive 611 billion KRW sales, an increase of 12% over 2011. The aerospace division employs 2,726 (as of September 2012) employees in South Korea's second largest city Busan where it maintains and upgrades both military and civilian aircraft and also manufactures aircraft parts. The company also has a division based in Daejeon working on the research and development of unmanned

aircraft. Korean Air is truly paving the way to become one of the world's leading aircraft manufacturers.

International Passenger Business

International passenger traffic fared well in the third quarter with capacity, traffic, load factors, yield and revenue all up on the same period last year with the revenue increase on long haul routes attributed to the deployment of new aircraft. Korean Air recorded its highest load factor of 85% in August 2012 and in addition the RPK (revenue passenger kilometer which measures the volume of passengers carried by an airline) measured an all time high in Q3 2012.

Cargo Business

Korean Air's cargo division contributed 0.7 trillion KRW to the total sales but due to the global economic downturn cargo traffic has decreased by 8% compared to 2011.

Korean Air will continue to expand its business prudently while enhancing the quality of its service for the final quarter 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.

-Ends-