

## Management Discussion of September Operating Data

During September 2013, Air China Limited (CA+ZH+NX) recorded another year-over-year increase but month-over-month decrease in passenger traffic, measured in Revenue Passenger Kilometers (RPK) and passenger head count.

Passenger capacity (ASK) and passenger traffic (RPK) for September rose by 10.6% and 11.5% year-over-year respectively. ASK on domestic routes increased by 5.4% year-over-year, while RPK rose 7.4%. ASK and RPK on international routes increased by 9.2% and 20.6% year-over-year respectively, and regional ASK and RPK rose by 6.9% and 12.1% year-over-year respectively. The overall passenger load factor was 81.3%, an increase of 0.7 percentage point year-over-year. The passenger load factor on domestic, international and regional routes climbed 0.1, 1.3 and 3.5 percentage points respectively.

With respect to the cargo operation, Revenue Freighter Tonne Kilometers (RFTK) and freighter tonnage carried for September decreased on a year-over-year basis but increased on a month-over-month basis. RFTK increased by 0.8% year-over-year. RFTK and freighter tonnage carried decreased by 4.6% and 6.9% year-over-year respectively. The cargo load factor was 60.2%, a year-over-year decrease of 3.4 percentage points.

Starting from 16 September, flights from Chengdu to Daocheng commenced operation (seven flights per week).

In September, excluding the controlling company, Air China (CA) purchased a total of 318,207 tonnes of jet fuel at a price of RMB7,345 per tonne, a year-over-year decrease of 3.0%. The average jet fuel purchase price at international airports was RMB6,438 per tonne, a year-over-year decrease of 8%. The average jet fuel purchase price for international flights at the top six Chinese airports was RMB6,288 per tonne, a year-over-year decrease of 11%. The average jet fuel purchase price for domestic flights was RMB7,598 per tonne, a year-over-year decrease of 5%.

Effective Date (Based on Ticket Issue Date)	Route		Previous Rate (Per Head Per Sector)	New Rate (Per Head Per Sector)
1 September	Hong Kong to Mainland China		HK\$200	HK\$217
	Mainland China to Hong Kong		RMB159	RMB172
	Korea to Mainland China (except for Qingdao and Jinan)		US\$41	US\$44
	Korea to Qingdao and Jinan		US\$24	US\$25
10 September	Mainland China to India		RMB320	RMB450
5 September	Domestic Routes	Above 800 km	RMB110	RMB120

During the month, the Group added eight airplanes, including one A330, one A320, four B737-800s and two B777-300ERs. As at the end of September, the Company operated a fleet of 482 aircraft.