

Management Discussion of November Operating Data

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

Passenger capacity (ASK) and passenger traffic (RPK) for November rose by 8.0% and 6.3% year-over-year respectively. ASK on domestic routes increased by 5.8% year-over-year, while RPK rose by 4.5%. ASK and RPK on international routes increased by 13.9% and 11.5% year-over-year respectively, ASK and RPK also climbed on regional routes by 3.7% and 2.7% year-over-year respectively. The overall passenger load factor was 77.1%, a decrease of 1.2 percentage points year-over-year. The passenger load factor on domestic, international and regional routes decreased 1.0, 1.6 and 0.7 percentage points respectively.

Cargo traffic, specifically measured as Revenue Freighter Tonne Kilometers (RFTK) and freighter tonnage carried for November decreased on a year-over-year basis, while showing increase on a month-over-month basis except for international routes. RFTK and freight tonnage both decreased by 8.2% year-over-year. Cargo capacity, including both freighters and passenger belly hold, measured as Available Freighter Tonne Kilometers (AFTK) decreased by 2.6% year-over-year. The cargo load factor was 58.7%, a year-over-year decrease of 3.6 percentage points.

Starting from 1 November, flights from Tianjin-Hangzhou-Sanya (seven flights per week) were launched. On 7 November, the Beijing-Chiangmai (four flights per week) route began service. Flights from Hangzhou-Zhanjiang (four flights per week) and Chengdu- Aksu (three flights per week) commenced operation on 14 November and 20 November respectively.

In November, Air China (CA) purchased a total of 305,000 tonnes of jet fuel at a price of RMB7,251 per tonne, a year-over-year decrease of 5.0%. The average jet fuel purchase price at international airports was RMB6,214 per tonne, a year-over-year decrease of 8%. The average jet fuel purchase price for domestic flights was RMB7,519 per tonne, a year-over-year decrease of 8%.

During the month, the Group added five airplanes, including one A320, three B737-800s, as well as one business jet. As at the end of November, the Company operated a fleet of 493 aircraft.