

## Air China Limited Announces 2014 First Quarter Results

### Results Highlights

| Items<br>(RMB million)      | Jan-Mar 2014 | Jan-Mar 2013 | Change<br>% |
|-----------------------------|--------------|--------------|-------------|
| Operating Revenue           | 24,419       | 22,719       | 7.48%       |
| Operating Cost              | 20,733       | 19,676       | 5.37%       |
| Net Profit                  | 93           | 249          | -62.71%     |
| Earnings per Share<br>(RMB) | 0.01         | 0.02         | -50.00%     |

Beijing — April 29, 2014 — Air China Limited (“Air China” or “the Company,” together with its subsidiaries, collectively “the Group”) (HKEX: 753; LSE: AIRC; SSE: 601111; ADR OTC: AIRYY), today announced its financial results<sup>1</sup> for the first quarter of 2014 (“the Period”).

### Operating and Business Highlights

During the first quarter of 2014, the economy in China remained stable as the economies in Europe and the U.S. slowly recovered. The demand of the aviation air passenger market grew steadily and the air cargo market showed a slight improvement when compared to the same period last year. During the Period, the Group's operating revenue was RMB24,419 million, an increase of 7.48% year-on-year. Operating cost was RMB20,733 million, an increase of 5.37% year-on-year. Net profit was RMB93 million, a decline of 62.71% when compared to the corresponding period last year. The decrease was mainly due to net exchange loss arising from the depreciation of RMB. During the reporting period, operating profit after deducting exchange losses increased by RMB515 million as compared to the corresponding period of the previous year, mainly due to the combined effects of improved utilization efficiency of freight capacity, effective cost controls, as well as lower fuel price compared to that of the corresponding period of the previous year.

<sup>1</sup>All statistics are unaudited and stated according to PRC GAAP.

During the Period, passenger capacity, measured by Available Seat Kilometer (“ASK”), rose by 11.92% year-over-year to 45.944 billion. Passenger traffic measured by Revenue Passenger Kilometers (“RPK”) was 37.563 billion, up 12.04% from the same period in 2013. Passenger traffic or RPK on international, domestic and regional routes increased by 19.03%, 9.02% and 16.82% year-on-year to 10.652 billion, 25.172 billion and 1.739 billion respectively. The passenger load factor was 81.76%, a gain of 0.08 percentage points compared with the same period in 2013. The load factor for international and regional routes was 80.06% and 75.94%, a gain of 0.06 percentage points and 2.59 percentage points respectively over the last corresponding period, while the load factor of domestic routes was 82.94%, a slight drop of 0.01 percentage points from the last corresponding period.

During the Period, cargo capacity as measured by Available Freight Tonne Kilometers (“AFTK”), strongly increased by 17.49% year-on-year to 2.346 billion. Cargo traffic as measured by Revenue Freight Tonne Kilometers (“RFTK”), rose by 10.92% to 1.19 billion. The cargo and mail load factor was 50.73%, a decrease of 3 percentage points year-on-year.

## **Outlook**

Mr. Cai Jianjiang, Chairman of Air China said, “The aviation industry still faces many challenges and the operating environment remains difficult, but the Group will continue to adopt measures to proactively address changes in the market while striving to generate greater synergies by working with our strategic partners. We will also further improve the integration of our operations and strengthen our competitiveness so as to achieve sustainable growth.”

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## **About Air China**

Air China Limited (Air China) is the national flag carrier of China and a leading provider of passenger, air cargo and airline-related services and products in China. Its operational headquarters is in Beijing, a major domestic and international hub in China. It also provides airline-related services, including aircraft maintenance, ground handling services in Beijing, Chengdu, and other locations. As at 31 December 2013, the Group operated a fleet of 497 aircraft with an average age of 6.33 years. The Company operated a fleet of 316 aircraft with an average age of 6.47 years. Passenger traffic routes have reached to 298 routes, including 71 international, 15 regional and 212 domestic routes. The Company's network covered 31 countries and regions globally and 154 cities, including 47 international, three regional and 104 domestic cities. Air China was listed on Hong Kong Stock Exchange and London Stock Exchange on December 15, 2004 under codes 00753 and AIRC respectively. On August 18, 2006, Air China was listed on Shanghai Stock Exchange under code 601111. For further details, please visit Air China's website: [www.airchina.com.cn](http://www.airchina.com.cn).

## **Safe Harbor Statement**

This press release contains projections and forward-looking statements that reflect the company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur that projections will be achieved, or that the company's assumptions are correct. Actual results may differ materially from those projected.

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