

Air China Limited Announces 2014 Third Quarter Results

Results Highlights

Items (RMB Billion)	Q3 2014 (Jul-Sep)	Q3 2013 (Jul-Sep)	Change %	Jan-Sep 2014	Jan-Sep 2013	Change %
Operating Revenue	29.794	27.929	6.68	78.911	73.787	6.95
Operating Profit	3.716	4.021	-7.58	3.400	5.257	-35.32
Net Profit	2.683	2.942	-8.82	3.157	4.061	-22.26
Earnings per Share (RMB)	0.22	0.24	-8.33	0.26	0.33	-22.26

Hong Kong — October 28, 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), has today announced its financial results¹ for the third quarter of 2014 (“the Period”).

Operating and Business Highlights

During the third quarter of 2014, the economy of China remained stable. The demand of the domestic aviation market steadily increased. Benefitting from the rapid increase of outbound passengers, the international passenger market continued to expand. However, total profit and net profit during the Period declined due to the exchange loss arising from the depreciation of RMB. During the reporting period, operating profit after deducting foreign exchange losses increased by RMB410 million as compared to the corresponding period of the previous year, mainly owing to the combined effects of improved operating efficiency as well as lower fuel price as compared to the previous year. During the reporting period, the Group’s operating revenue rose 6.68% year-on-year to RMB29.794 billion. Operating cost was RMB23.018 billion, an increase of 8.30% year-on-year. Operating profit was RMB3.716 billion, a decline of 7.58% year-on-year. Net profit was RMB2.683 billion, a decrease of 8.82% as compared to the net profit of RMB2.942 billion recorded in the same period of 2013.

¹All statistics are unaudited and stated according to PRC GAAP.

During the Period, passenger capacity, measured by Available Seat Kilometers (ASK), rose by 7.96% year-on-year to 50.619 billion. Passenger traffic measured by Revenue Passenger Kilometers (RPK) was 40.930 billion, up 5.61% from the same period of 2013. Passenger traffic or RPK on international, domestic and regional routes increased by 10.37%, 2.85% and 12.86% year-on-year to 13.344 billion, 25.754 billion and 1.831 billion respectively. The passenger load factor was 80.86%, a decrease of 1.79 percentage points year-on-year.

Cargo capacity as measured by Available Freight Tonne Kilometers (AFTK), strongly increased by 15.53% year-on-year during the Period to 2.535 billion. Cargo traffic as measured by Revenue Freight Tonne Kilometers (RFTK) rose by 12.08% to 1.468 billion. The cargo and mail load factor was 57.92%, a decrease of 1.78 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. The Group intends to adhere to the strategies while continuing to improve the customer experience and striving to generate greater synergies by working with our strategic partners 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 30 June 2014, the Group operated a fleet of 512 aircraft with an average age of 6.22 years (excluding aircraft under wet leases) and the Company operated a fleet of 316 aircraft with an average age of 6.28 years (excluding aircraft under wet leases). Passenger traffic routes have reached to 323 routes, including 79 international, 15 regional and 229 domestic routes. The Company's network covered 32 countries and regions globally and 162 cities, including 53 international, three regional and 106 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.

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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