

Air China Limited Announces 2015 First Quarter Results

Results Highlights

Items (RMB Million)	Jan-Mar 2015	Jan-Mar 2014	Change (%)
Operating Revenue	25,262	24,419	3.45
Operating Costs	19,549	20,733	-5.71
Net Profit	1,675	93	1707.01
Earnings per Share (RMB)	0.14	0.01	1300.00

Hong Kong – April 29, 2015 – **Air China Limited** (“Air China” or “the Company,” together with its subsidiaries, collectively “the Group”) (HKEX: 00753; LSE: AIRC; SSE: 601111; ADR OTC: AIRYY), today announced its financial results¹ for the first quarter of 2015 (“the Period”).

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

Operating and Business Highlights

In the first quarter of 2015, China's economic growth remained stable while Europe and the US maintained moderate momentum in their economic recovery. Air passenger travel demand continued to grow steadily and the air cargo market experienced a solid year-on-year rebound. During the Period, the Group recorded an operating revenue of RMB25,262 million, representing a year-on-year increase of 3.45%. In comparison to the same period last year, operating costs were RMB19,549 million, down 5.71%, and net profit reached RMB1,675 million, up significantly by 1707.01%. The substantial increase in profitability was primarily attributed to a considerably better than expected growth in market demand, a sharp fall in jet fuel prices, and an effective costs management by the Company.

During the Period, passenger capacity, measured by Available Seat Kilometers ("ASK") was 50.631 billion, an increase of 10.20% year-on-year. Overall passenger traffic measured by Revenue Passenger Kilometers ("RPK") was 40.621 billion, up 8.14% year-on-year. RPK on international and domestic routes increased by 11.95% and 7.30% year-on-year to 11.925 billion and 27.009 billion, respectively, and RPK on regional routes dropped 3.01% year-on-year to 1.687 billion. The passenger load factor was 80.23%, a year-on-year decrease of 1.53 percentage points. The load factors for international, domestic and regional routes was 77.38%, 82.36% and 69.55% respectively, representing a respective yearly decrease of 2.68, 0.58 and 6.39 percentage points.

During the Period, cargo capacity as measured by Available Freight Tonne Kilometers ("AFTK") increased by 21.48% year-on-year to 2.850 billion. Cargo traffic as measured by Revenue Freight Tonne Kilometers ("RFTK") rose by 25.40% to 1.492 billion. The cargo and mail load factor was 52.37%, a year-on-year increase of 1.64 percentage points.

Outlook

The aviation industry will continue to face many challenges in 2015. Despite this, there have been a number of growth impetuses driving the aviation industry in China. These catalysts include the

stable development of China's economy, the steady progress in executing China's "One Belt, One Road" strategy, the robust growth of domestic consumption and the solid upward momentum in outbound tourism. On consideration of these positive factors, the Group remains optimistic about the growth prospects this year. We will continue to embrace the "New Normal", seek new growth avenues, increase operational efficiency, focus on creating innovative business models, meet the growing demand for personalized services and optimize business synergies with associated corporations and strategic partners to further enhance our integrated capabilities and competitiveness, thus achieving a sustainable and momentous business development.

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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 of 31 December 2014, the Group operated a fleet of 540 aircraft with an average age of 6.08 years, while the Company operated a fleet of 334 aircraft with an average age of 6.04 years. Passenger traffic routes have reached to 322 routes, including 82 international, 15 regional and 225 domestic routes. The Company's network covered 32 countries and regions globally and 159 cities, including 53 international, three regional and 103 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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