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## Management Discussion of April 2015 Operating Data

### 1. Operations

During April 2015, Air China Limited (CA+ZH+NX) continued to display growth in passenger traffic as measured by Revenue Passenger Kilometres (RPK) and passenger head count on a year-on-year basis, but recorded a decrease on a monthly basis.

Passenger capacity, measured in Available Seat Kilometers (ASK), grew 9% year-on-year, while passenger traffic, measured by Revenue Passenger Kilometers (RPK), rose by 9.4%. Capacity on domestic routes increased by 7.9% year-on-year, with RPK rising by 9.2%. Capacity on international routes increased by 12.1% year-on-year, while RPK rose 11.8% in the same period. Capacity on regional routes increased by 2.1% year-on-year, with RPK falling by 3.5%. The overall passenger load factor was 80.2%, up 0.3 percentage points year-on-year. The passenger load factor for domestic routes increased by 1.0 percentage points year-on-year and the passenger load factor for international and regional routes fell 0.2 and 4.0 percentage points respectively.

As of 26 April, the Company launched a Hangzhou-Taiyuan new route with daily flight. On 30 April, a Wuhan-Surat Thani route (two times a week) was opened.

On cargo operations, both Revenue Freight Tonne Kilometres (RFTK) and freight tonnage carried during April recorded a yearly increase. Available Freight Tonne Kilometres (AFTK) rose by 22.6% year-over-year in April. RFTK grew 18.7% and freight tonnage carried increased by 8.3% compared to April 2014. The cargo load factor reduced to 53.3% in April, a decrease of 1.8 percentage points year-on-year.

During the month, excluding its subsidiary airlines, Air China purchased a total of 351,000 tonnes of jet fuel at an average price of RMB4,381 per tonne, a year-on-year decrease of 38.4%. The average jet fuel purchase price at international airports was RMB3,687 per tonne, and the average purchase price of jet fuel for domestic flights was RMB4,578 per tonne, representing yearly decreases of 40.2% and 37.9%, respectively.

**Fuel Surcharge Adjustment**

Effective Date (Based on Ticket Issue Date)	Route	Previous Rate (Per Head Per Sector)	New Rate (Per Head Per Sector)
1 April	Hong Kong to Mainland China	HK\$42	HK\$48
	Japan to Mainland China	JPY3500	JPY2500
	Korea to Mainland China (excluding Qingdao, Jinan and Yantai)	US\$2	US\$8
	Korea to Shandong, China (Qingdao, Jinan and Yantai)	US\$1	US\$4
	Beijing to Germany, France, Britain, Sweden, Spain, Austria, Italy, Denmark, Finland, Greece, Switzerland and Poland	RMB1500	RMB1200

During the month, the Group added five new aircraft, comprised of two B737-800, one B747-8, one A321, and one A320 freighter, and also retired one A340 aircraft. As of end-April, the Group operated a fleet of 553 aircraft.

**2. Important announcement**

Air China announced its 2015 first quarter results on 30 April. Under international financial accounting standards, 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 RMB19.545 million, down 5.71%, and net profit reached RMB1.675 million, up significantly by 1707.01%.