

## Air China Limited Announces 2016 First Quarter Results

### Results Highlights

Items (RMB Billion)	Jan-Mar 2016	Jan-Mar 2015 (restated)	Change %
Operating Revenue	<b>26.389</b>	<b>25.281</b>	<b>4.38</b>
Operating Costs	<b>20.031</b>	<b>19.562</b>	<b>2.40</b>
Net Profit	<b>2.435</b>	<b>1.681</b>	<b>44.83</b>
Earnings Per Share (RMB)	<b>0.20</b>	<b>0.14</b>	<b>44.83</b>

Hong Kong – April 28, 2016 – 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 results<sup>1</sup> for the first quarter of 2016 (“the Period”).

### Operating and Business Highlights

In the first quarter of 2016, China’s economy achieved a steady progress while the growth of the global economy continued to slow. Domestic outbound tourism saw great demand and the air passenger business kept growing rapidly, while the cargo market experienced weak growth. During the Period, the Group recorded operating revenue of RMB26.389 billion, representing a year-on-year increase of 4.38%. Operating costs were RMB20.031 billion, up by 2.40% year-on-year. Net profit attributable to shareholders of the Company was RMB2.435 billion, increased by 44.83% year-on-year. The increase in net profit was mainly driven by the optimization of production structure and the

<sup>1</sup>Under PRC GAAP, unaudited.

increase of capacity deployment to realize revenue growth; as well as an effective cost control and a year-on-year decline of jet fuel cost.

During the Period, passenger capacity, measured by Available Seat Kilometers (ASK) was 56.535 billion, an increase of 11.66% year-on-year. Overall passenger traffic measured by Revenue Passenger Kilometers (RPK) was 45.111 billion, up 11.05% year-on-year. RPK on international, domestic and regional routes increased by 29.79%, 2.78% and 11.13% year-on-year to 15.477 billion, 27.759 billion and 1.875 billion, respectively. The passenger load factor was 79.79%, a year-on-year decrease of 0.44 percentage points. The load factor for international and domestic routes dropped by 0.28 and 0.57 percentage points to 77.10% and 81.79%, respectively, while regional routes was 74.40%, a year-on-year increase of 4.85 percentage points.

Cargo capacity as measured by Available Freight Tonne Kilometers (AFTK) was 3.157 billion, an increase of 10.76% year-on-year. Cargo traffic as measured by Revenue Freight Tonne Kilometers (RFTK) reached 1.556 billion, up by 4.25%. The cargo and mail load factor was 49.29%, a year-on-year decrease of 3.08 percentage points.

## **Outlook**

The aviation industry still faces a number of challenges in 2016, but positive factors such as China's steady economy, unabated outbound tourism and low oil prices provide new opportunities for the development of China's civil aviation industry. The Group will maintain stable progress while striving to advance business model innovation, optimizing capital allocation and debt structure, intensifying cost control and enhancing service and product competitiveness. We will also constantly strengthen synergies by working with strategic partners, and further augment overall strengths and competitiveness in order 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 of December 31, 2015, the Group operated a fleet of 590 aircraft with an average age of 6.2 years, while the Company operated a fleet of 360 aircraft with an average age of 6.3 years. Passenger traffic routes have reached 360, including 100 international, 15 regional and 245 domestic routes. The Company's network covered 40 countries and regions globally and 174 cities, including 64 international, 4 regional and 106 domestic cities. Through the Star Alliance, the Company's route network extends to 1,330 destinations in 193 countries. 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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