

Air China Limited Announces 2017 First Quarter Results

Results Highlights

Items (RMB Billion)	Q1 2017 Jan-Mar	Q1 2016 Jan-Mar	Change %
Operating Revenue	28.969	26.389	9.78%
Operating Costs	23.435	20.031	16.99%
Net Profit	1.466	2.435	-39.79%
Earning Per Share (RMB)	0.11	0.20	-46.06%

Hong Kong – April 27, 2017 – 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 2017 (“the Period”).

Operating and Business Highlights

In the first quarter of 2017, China’s economy advanced steadily while the global economy continued its slow growth. The air passenger traffic achieved a robust growth amid the strong demand for travel, while the cargo market recovered slightly. During the period, the Group recorded operating revenue of RMB28.969 billion, representing a year-on-year increase of 9.78%. Operating costs were RMB23.435 billion, up by 16.99% year-on-year. Net profit attributable to shareholders of the Company was RMB1.466 billion, a decrease of 39.79% year-on-year. The decrease of net profit was primarily due to rising jet fuel costs and significant decline in investment gain.

During the Period, passenger capacity, measured by Available Seat Kilometers (ASK) was 59.262 billion, an increase of 4.82% year-on-year. Overall passenger traffic measured by Revenue Passenger

Kilometers (RPK) was 48.611 billion, up 7.76% year-on-year. RPK on international and domestic routes increased by 7.16% and 9.29% year-on-year to 16.586 billion and 30.338 billion respectively, while RPK on regional routes dropped by 10.00% to 1.687 billion. The passenger load factor was 82.03%, a year-on-year increase of 2.24 percentage points. The load factor for international, domestic and regional routes increased by 3.08, 1.76 and 0.15 percentage points to 80.18%, 83.55% and 74.55%, respectively.

Cargo capacity as measured by Available Freight Tonne Kilometers (AFTK) was 3.204 billion, an increase of 1.48% year-on-year. Cargo traffic as measured by Revenue Freight Tonne Kilometers (RFTK) reached 1.626 billion, up by 4.51%. The cargo and mail load factor was 50.76%, a year-on-year increase of 1.47 percentage points.

Outlook

In 2017, the aviation industry continues to face the fluctuation of exchange rates, uncertainty of fuel prices, and other challenges. However, the overall market trends in demand and supply remains positive. The Group will maintain a steady course to deepen reform, strengthen cost control, optimize capital allocation and debt structure, advance strategic imperatives and business model with innovation, so as to consolidate and expand its competitive advantages to deliver better performance and 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, 2016, the Group operated a fleet of 623 aircraft with an average age of 6.36 years, while the Company operated a fleet of 381 aircraft with an average age of 6.46 years. Passenger traffic routes have reached 378, including 102 international, 14 regional and 262 domestic routes. The Company's network covered 41 countries and regions globally and 176 cities, including 64 international, 3 regional and 109 domestic cities. Through the Star Alliance, the Company's route network extends to 1,330 destinations in 192 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.

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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