

## Air China Limited Announces 2017 Third Quarter Results

### Financial Highlights

Items (RMB Billion)	3Q 2017 (Jul-Sep)	3Q 2016 (Jul-Sep)	Change %	Jan-Sep 2017	Jan-Sep 2016	Change %
Operating Revenue	34.841	31.923	9.14	92.996	85.448	8.83
Operating Profit	7.270	5.145	41.29	12.304	9.634	27.71
Net Profit	5.685	4.304	32.08	9.592	8.088	18.59
Earnings Per Share (RMB)	0.37	0.31	19.35	0.62	0.59	5.08

Hong Kong – October 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 results<sup>1</sup> for the third quarter of 2017 (“the Period”).

### Operating and Business Highlights

In the third quarter of 2017, China’s economy continued its steady trajectory. Benefiting from a relatively strong summer holiday, domestic passengers grew steadily despite of severe weather, outbound tourism stayed robust, and cargo business performed well. During the period, the Group recorded operating revenue of RMB 34.841 billion, representing a year-on-year increase of 9.14%. Operating costs were RMB 25.225 billion, up by 9.16% year-on-year. Operating profit was RMB 7.27 billion, up 41.29% year-on-year. Net profit was RMB 5.685 billion, an increase of 32.08% from RMB 4.304 billion in the same period of last year.

During the period, passenger capacity, measured by Available Seat Kilometers (ASK) was 64.331 billion, an increase of 5.54% year-on-year. Overall passenger traffic measured by Revenue Passenger Kilometers (RPK) was 52.467 billion, an increase of 3.81% year-on-year. Traffic on international, domestic and region increased by 2.71%, 4.15% and 9.79% to 19.177 billion, 31.397 billion and 1.893 billion, respectively. The passenger load factor was 81.56%, a year-on-year decrease of 1.36 percentage points. The Group continued the execution of its price priority strategy in order to safeguard yield level.

Cargo capacity as measured by Available Freight Tonne Kilometers (AFTK) was 3.292 billion, an increase of 4.00% year-on-year. Cargo traffic as measured by Revenue Freight Tonne Kilometers (RFTK) was 1.956 billion, up by 10.61% year-on-year. The cargo and mail load factor was 59.43%, a year-on-year increase of 3.55 percentage points.

## **Outlook**

In spite of the challenges facing the global aviation industry such as continued fluctuation of exchange rate, uncertainty of fuel price, prevalence of geo-political risks and shortage of aviation resources, the overall market supply and demand trend looks to be positive. In response to this complex operating environment, the Group will continue to uphold its prudent management philosophy, firmly advance our strategic imperatives and business model transformation, strengthen cost control while consolidating and expanding 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 June 30, 2017, the Group operated a fleet of 628 aircraft with an average age of 6.53 years, while the Company operated a fleet of 385 aircraft with an average age of 6.57 years. Passenger traffic routes have reached 408, including 106 international, 15 regional and 287 domestic routes. The Company's network covered 39 countries and regions globally and 184 cities, including 66 international, 3 regional and 115 domestic cities. Through the Star Alliance, the Company's route network extends to 1,307 destinations in 191 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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