

## Air China Announces Results for the First Three Quarters of 2018: Industry Advantages Maintained

### Results Highlights

Item (RMB100 million)	January-September 2018	January-September 2017	Change %
Revenue from operations	1028.80	917.82	12.09
Total operating costs	966.33	808.59	19.51
Net Profit attributable to shareholders	69.37	82.79	-16.20
Earnings per share (RMB)	0.51	0.62	-17.74

Hong Kong – October 30, 2018 — Air China Limited (“Air China” or the “Company,” together with its subsidiaries, collectively the “Group”) (Stock code: HKEX: 753; LSE: AIRC; SSE: 601111; ADR OTC: AIRYY) today announced its financial results for the first three quarters of 2018<sup>1</sup> (the “Period”).

<sup>1</sup> All data are calculated according to China’s Accounting Regulations for Enterprises and are unaudited.

## **Operation and Business Highlights**

During the first three quarters of 2018, China's economy maintained stable growth with continuous improvement. Especially benefitting from the strong demand in the summer holiday, the domestic passenger traffic grew steadily and enthusiasm for outbound travel remained high. Despite the reduced net profit as a result of the rising oil prices and depreciation of Renminbi against US dollars, the Company still maintained a leading an advantage in the industry in terms of total revenue and traffic revenue. During the reporting the period, the Group recorded the revenue from operations of RMB102.880 billion, representing an increase of 12.09%. The total operating costs was RMB96.633 billion, representing an increase of 19.51%. The net profit attributable to shareholders decreased by 16.20% to RMB6.937 billion from RMB8.279 billion in 2017.

During the Period, the Group's passenger capacity, measured by Available Seat Kilometers (ASK), increased by 11.32% to 204.073 billion. Capacity for domestic, international and regional routes rose by 8.75%, 15.80% and 8.55% year-on-year respectively. Overall passenger traffic, measured by Revenue Passenger Kilometers (RPK), increased by 10.88% to 165.084 billion compared with that of 2017. Traffic on domestic, international and regional routes increased by 8.41%, 14.91% and 13.43% year-on-year respectively. Passenger load factor slightly decreased by 0.32 percentage points to 80.89%.

During the Period, the Available Freight Tonne Kilometers (AFTK) increased by 8.07% year-on-year to 10.483 billion, while the Revenue Freight Tonne Kilometers (RFTK) increased by 7.11% year-on-year to 5.877 billion. The cargo and mail load factor decreased by 0.51 percentage points to 56.06%.

## **Outlook**

The aviation industry is still facing numerous challenges from the increasing exchange rate, rising oil prices to lack of aviation resources. Nevertheless, the overall demand-supply condition is improving. Under this complicated and ever-changing operational environment, the Group will continue to uphold its philosophies of maintaining stability in operations while identifying new impetus. It will devote more efforts to efficiency enhancement and business model innovations, seek to satisfy travelers' personalized demand and further strengthen its comprehensive competences and competitiveness, in order to achieve sustainable development.

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## About Air China

Air China Limited 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, 2018, the Group operated a fleet of 662 aircraft with an average age of 6.74 years, while the Company operated a fleet of 397 aircraft with an average age of 6.76 years. The Company's passenger routes have expanded to 434 in total, across six continents of the world, comprising 308 domestic, 109 international and 17 regional routes. The Company's network covered 42 countries and regions and 189 cities, including 69 international, 4 regional and 116 domestic cities. Through Star Alliance, the Company's route network extended to 1,317 destinations in 193 countries. Air China was listed on the Hong Kong Stock Exchange and the London Stock Exchange on December 15, 2004 under codes 00753 and AIRC respectively. On June 30, 2006, Air China established the Level 1 American Depository Receipts Sponsored Programme under code AIRYY. On August 18, 2006, Air China was listed on the 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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