

Air China Limited Announces 2016 Third Quarter Results

Results Highlights

Items (RMB Billion)	3Q 2016 (Jul-Sep)	3Q 2015 (Jul-Sep)	Change %	Jan-Sep 2016	Jan-Sep 2015	Change %
Operating Revenue	31.923	31.230	2.22	85.448	82.381	3.72
Operating Profit	5.145	2.980	72.68	9.634	7.952	21.15
Net Profit	3.769	2.331	61.68	7.227	6.280	15.07
Earnings Per Share (RMB)	0.31	0.19	61.68	0.59	0.51	15.07

Hong Kong – October 27, 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 results¹ for the third quarter of 2016 (“the Period”).

¹All figures are unaudited and stated according to PRC GAAP.

Operating and Business Highlights

In the third quarter of 2016, China's economy remained sound and healthy, international oil price lifted slightly but continues to remain low. Benefiting from a relatively strong summer holiday, domestic passenger demand grew steadily and the outbound tourism stayed robust. However, the cargo business continued to be sluggish. The Group proactively increased its capacity deployment, aligned the supply-demand structure of each regional market, heightened operational efficiency, improved yield management, strengthened channels development, reduced sales expenses, refined cost control management, suitably re-acclimated the debt structure, effectively mitigating exchange risks and as a result, enhanced the overall performance.

During the Period, the Group recorded operating revenue of RMB31.923 billion, representing a year-on-year increase of 2.22%. Operating costs were RMB23.109 billion, up by 5.81% year-on-year. Operating profit was RMB5.145 billion, up 72.68% year-on-year. Net profit was RMB3.769 billion, an increase of 61.68% from RMB2.331 billion in the same period last year.

During the Period, passenger capacity, measured by Available Seat Kilometers (ASK) was 60.955 billion, an increase of 7.63% year-on-year. Overall passenger traffic measured by Revenue Passenger Kilometers (RPK) was 50.542 billion, up 9.19% year-on-year. RPK on international and domestic routes increased by 18.30% and 4.96% year-on-year to 18.671 billion and 30.147 billion while RPK on regional routes dropped by 3.25% to 1.724 billion. The passenger load factor was 82.92%, a year-on-year increase of 1.18 percentage points.

Cargo capacity as measured by Available Freight Tonne Kilometers (AFTK) was 3.165 billion, an increase of 3.65% year-on-year. Cargo traffic as measured by Revenue Freight Tonne Kilometers (RFTK) reached 1.769 billion, up by 5.42%. The cargo and mail load factor was 55.88%, a year-on-year increase of 0.94 percentage points.

Outlook

In spite of the challenges facing global aviation industry will continue with fluctuation of exchange rates, uncertainty of fuel prices, prevalence of geo-political risks, the overall market supply and demand trend looks to be positive. In response to this complex operating environment, the Group will

further deepen reform with innovation, firmly advance its 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, 2016, the Group operated a fleet of 603 aircraft with an average age of 6.26 years, while the Company operated a fleet of 366 aircraft with an average age of 6.41 years. Passenger traffic routes have reached to 377 routes, including 98 international, 16 regional and 263 domestic routes. The Company's network covered 39 countries and regions globally and 173 cities, including 61 international, 4 regional and 108 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

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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