AIR CHINA
中国国際航空公司

A STAR ALLIANCE MEMBER

中国国际航空股份有限公司
二零一六年三季度业绩
Air China Limited
2016 Third Quarter Results

October 2016

- Part 1 Performance Highlights
- Part 2 Business Overview
- Part 3 Financial Review

Under PRC GAAP, unaudited

Part 1 Performance Highlights

Performance Highlights

Key Financial Metrics	3Q2016	Y-O-Y Change	Jan-Sep 2016	Y-O-Y Change
Turnover (RMB million)	31,923.2	2.22%	85,447.7	3.72%
Operating Expenses (RMB million)	23,109.3	5.81%	64,269.7	3.71%
Profit from Operations (RMB million)	5,145.2	72.68%	9,634.4	21.15%
Profit Attributable to Shareholders (RMB million)	3,769.1	61.68%	7,226.7	15.07%
EPS (RMB/share)	0.31	61.68%	0.59	15.07%

Key Operational Metrics	3Q2016	Y-O-Y Change	Jan-Sep 2016	Y-O-Y Change
ASK (million)	60,954.7	7.63%	174,341.7	9.30%
RPK (million)	50,541.6	9.19%	141,050.4	9.80%
ATK (million)	8,661.6	6.14%	25,181.7	8.26%
RTK (million)	6,215.8	8.07%	17,586.4	8.40%
Passenger Load Factor (%)	82.9	1.18pts	80.9	0.37pts
ATK Load Factor (%)	71.8	1.29pts	69.8	0.09pts

Part 2 Business Overview

Air China

	3Q2016	Y-O-Y Change	Jan-Sep 2016	Y-O-Y Change
ASK (Million)	42,811.5	6.19%	123,347.2	8.20%
RPK (Million)	35,555.3	7.32%	99,256.4	8.17%
Passengers Carried (Thousand)	15,427.0	3.39%	44,403.1	4.01%
Load Factor (%)	83.1	0.87pts	80.5	-0.02pts

	3Q2016	Q-O-Q Change	2Q2016	Q-O-Q Change	1Q2016
ASK (Million)	42,811.5	6.37%	40,248.9	-0.09%	40,286.9
RPK (Million)	35,555.3	11.54%	31,877.6	0.17%	31,823.6
Passengers Carried (Thousand)	15,427.0	5.29%	14,652.5	2.30%	14,323.6
Load Factor (%)	83.1	3.85pts	79.2	0.21pts	79.0

Air China

3Q2016						
	ASK (Million)	Y-O-Y Change	RPK (Million)	Y-O-Y Change	Load Factor (%)	Y-O-Y Change
Domestic	20,561.9	-0.95%	17.328.5	1.10%	84.3	1.71pts
International	21,140.5	16.05%	17,305.7	15.93%	81.9	-0.09pts
- Europe	7,948.3	9.13%	6,671.1	6.26%	83.9	-2.26pts
- North America	6,845.0	14.78%	5,754.8	16.88%	84.1	1.51pts
- Japan and Korea	2,222.2	17.48%	1,842.2	33.70%	82.9	10.06pts
South East Asia and Other Regions	4,125.0	34.01%	3,037.6	29.32%	73.6	-2.67pts
Regional	1,109.1	-17.25%	921.2	-13.26%	83.1	3.82pts

Air China

Jan-Sep 2016						
	ASK (Million)	Y-O-Y Change	RPK (Million)	Y-O-Y Change	Load Factor (%)	Y-O-Y Change
Domestic	61,627.9	1.46%	50,777.8	2.00%	82.4	0.43pts
International	58,079.4	18.08%	45,538.3	17.14%	78.4	-0.63pts
- Europe	20,596.1	7.44%	16,234.2	5.54%	78.8	-1.42pts
- North America	17,659.1	14.03%	14,495.6	16.05%	82.1	1.43pts
- Japan and Korea	6,374.9	15.97%	4,861.6	19.33%	76.3	2.15pts
South East Asia and Other Regions	13,449.2	48.90%	9,947.0	43.60%	74.0	-2.73pts
Regional	3,640.0	-10.70%	2,940.3	-5.16%	80.8	4.72pts

Contribution by Sales Channels (Passenger)

Jan-Sep 2016				
	Sales Volume （RMB 100 Million）	Y-O-Y Change	Percentage (%)	Y-O-Y Change
Direct Sales	198.6	35%	38.2%	9.5pts
Counter Sales	27.4	1%	5.3%	-
Call Center	30.6	-1%	5.9%	-0.2pts
E-commerce	140.6	58%	27.0%	9.7pts
Agency Sales	303.9	-13%	58.4%	-9.7pts
Sales From Other Airlines	17.6	9%	3.4%	3.2pts
Total	520.1	2%	100.0%	-

Air China Cargo

	3Q2016	Y-O-Y Change	Jan-Sep 2016	Y-O-Y Change
AFTK (million)	2,921.8	2.31%	8,734.7	5.27%
- Freighter AFTK (million)	835.8	-0.76%	2,572.7	4.34%
RFTK (million)	1,605.1	4.44%	4,646.0	4.45%
- Freighter RFTK (million)	678.6	-2.72%	2,061.2	1.71%
Tonnage Carried (tonnes)	343,755.6	2.94%	1,001,424.2	3.15%
- Freighter Tonnage Carried (tonnes)	109,132.5	2.07%	325,434.6	5.68%
Cargo and Mail Load Factor (%)	54.9	1.12pts	53.2	-0.42pts

Shenzhen Airlines

	3Q2016	Y-O-Y Change	Jan-Sep 2016	Y-O-Y Change
ASK (million)	15,435.2	9.33%	43,349.1	10.20%
RPK (million)	12,849.5	11.51%	35,897.6	11.39%
ATK (million)	1,588.7	10.71%	4,497.5	11.90%
RTK (million)	1,272.9	12.02%	3,572.0	11.49%
Passengers Carried (thousands)	8,485.2	7.92%	23,579.2	9.49%
Passenger Load Factor (%)	83.3	1.63pts	82.8	0.88pts
ATK Load Factor (%)	80.1	0.93pts	79.4	-0.29pts

Air Macau

	3Q2016	Y-O-Y Change	Jan-Sep 2016	Y-O-Y Change
ASK (million)	1,645.8	13.91%	4,860.5	15.92%
RPK (million)	1,225.5	23.86%	3,558.8	26.41%
ATK (million)	190.9	13.97%	563.8	16.00%
RTK (million)	129.7	23.25%	376.5	25.48%
Passengers Carried (thousands)	739.9	21.30%	2,114.3	24.40%
Passenger Load Factor (%)	74.5	5.98pts	73.2	6.08pts
ATK Load Factor (%)	68.0	5.12pts	66.8	5.05pts

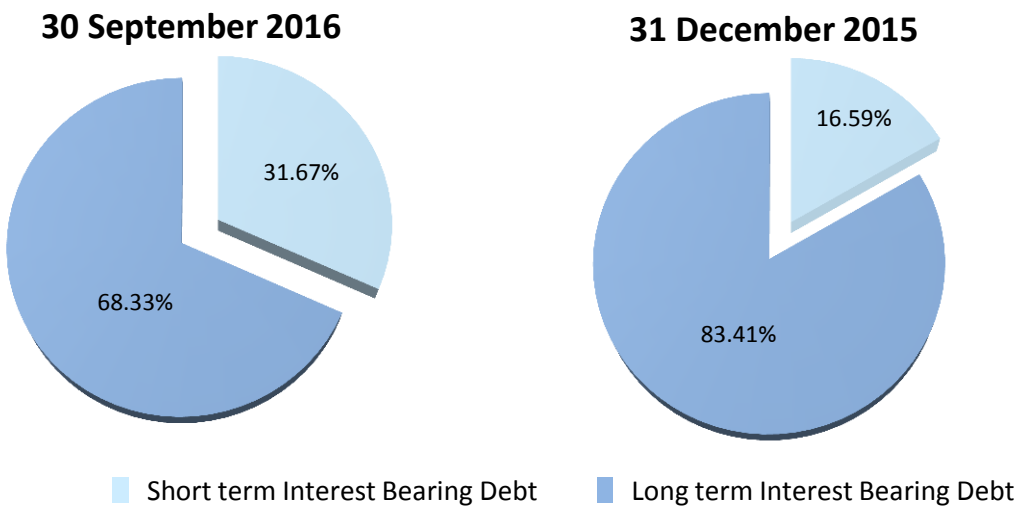
Part 3 Financial Review

Financial Review

(RMB Million)	3Q2016	Y-O-Y Change	Jan-Sep 2016	Y-O-Y Change
Turnover	31,923.2	2.22%	85,447.7	3.72%
Operating Expenses	23,109.3	5.81%	64,269.7	3.71%
Net Exchange Loss	506.5	-85.21%	2,204.2	-37.87%
Gains from Investments in Associated Companies and Joint ventures	208.4	-57.91%	467.8	-58.74%
Profit from Operations	5,145.2	72.68%	9,634.4	21.15%
Profit Before Tax	5,454.2	79.98%	10,479.1	22.37%
Net Profit	4,304.4	82.28%	8,088.1	21.07%
Profit Attributable to Shareholders	3,769.1	61.68%	7,226.7	15.07%
Operating Profit Margin(%)	16.1	6.58pts	11.3	1.62pts
EPS (RMB/share)	0.31	61.68%	0.59	15.07%

Interest Bearing Debt

（RMB million）	30 September 2016	Percentage (%)	31 December 2015	Percentage (%)
USD	57,509	51.68	76,469	73.48
RMB	51,986	46.73	24,471	23.52
EURO	116	0.10	1,602	1.54
JPY	1,450	1.30	1,266	1.22
MOP	213	0.19	249	0.24
Total	111,274	100.00	104,057	100.00



Appendix

Other Financial and Operational Data

3Q2016

1. Fleet - The Group

	30 September 2016					Delivery		
	Sub-total	Owned	Finance Lease	Operating Lease	Average Age	2016	2017	2018
A319	42	31	5	6	10.65	-	5	-
A320/A321	189	64	73	52	5.18	17	12	15
A330	53	15	15	23	5.63	2	5	5
A350	-	-	-	-	-	-	1	3
B737	261	110	61	90	6.41	21	24	21
B747	11	9	2	-	8.71	-	-	-
B777	27	11	13	3	7.07	3	3	-
B787	6	6			0.21	7	6	2
B747F	3	3	-	-	14.27	-	-	-
B757F	4	4			20.10	-	-	-
B777F	8	3	5	-	2.01	-	-	-
Business Jet	9	1	-	8	4.76	-	-	-
Total	613	257	174	182	6.31	50	56	46

*Wet lease aircraft excluded in calculation of average ages

2. Fleet – Air China

	30 September 2016					Delivery		
	Sub-total	Owned	Finance Lease	Operating Lease	Average Age	2016	2017	2018
A319	33	28	5	-	10.28	-	-	-
A320/A321	99	16	61	22	5.09	10	11	8
A330	53	15	15	23	5.63	2	5	5
A350	-	-	-	-	-	-	1	3
B737	141	55	29	57	6.73	14	14	12
B747	11	9	2	-	8.71	-	-	-
B777	27	11	13	3	7.07	3	3	-
B787	6	6	-	-	0.21	7	6	2
Total	370	140	125	105	6.43	36	40	30

*Wet lease aircraft excluded in calculation of average ages

3. Consolidated Balance Sheet (Condensed)

（RMB million）	30 September 2016	31 December 2015	Change
Non-current Assets	152,160	149,267	1.94%
Current Assets	20,754	19,528	6.28%
- Cash and Cash Equivalents	9,420	7,793	20.87%
Total Assets	229,162	213,704	7.23%
Current Liabilities	66,833	50,213	33.10%
Non-current Liabilities	87,675	96,895	-9.52%
Total Liabilities	154,507	147,108	5.03%
Total Owner's Equity Attributable to Shareholders of the Company	67,104	59,820	12.18%

4. Consolidated Cash Flow Statement (Condensed)

(RMB million)	Jan-Sep 2016	Jan-Sep 2015	Y-O-Y Change
Net cash flow from operating activities	24,008	27,865	-13.84%
Net cash flow from investing activities	-19,994	-6,648	200.73%
Net cash flow from financing activities	-2,337	-20,548	-88.63%
Net increase/(decrease) in cash and cash equivalents	1,765	715	146.80%
Cash and cash equivalents at beginning of the period	7,138	9,270	-23.00%
Effect of exchange rate changes on cash and cash equivalents	88	46	88.90%
Cash and cash equivalents at the end of the period	8,903	9,985	-10.84%

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