



中国南方航空
CHINA SOUTHERN AIRLINES



H Share Stock Code: 1055 • A Share Stock Code: 600029 • ADR Code ZNH



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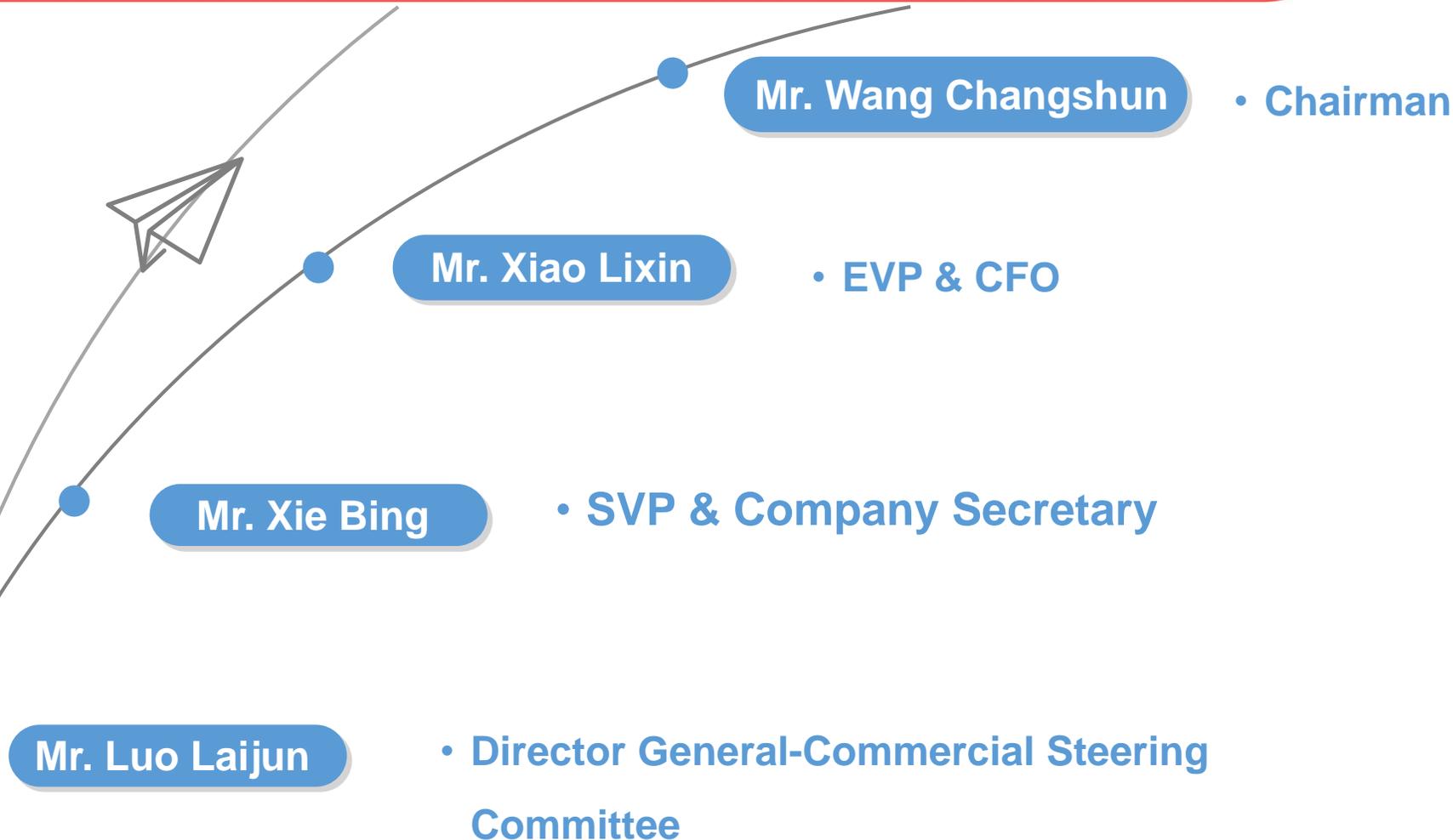


2017年度業績發佈
ANNUAL RESULTS
ANNOUNCEMENT

Management Team



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01

Business Overview & Operational Highlights

2017 Financial Highlights

Development Outlook

Safety is our first priority



2.567 mn hours
safe flight in 2017



20.66 mn hours
safe flight accumulated



13,700 hours
general aviation

18 years
of aviation
safety

23 years
of aviation
security

**Best Safety
Records
among Chinese
airlines**



Highlights

Marketing

Network Hub

Global Cooperation

Product Service

Profitability

Passenger revenue **10%** ↑



Best Record in
5 consecutive years



APP operation leads industry



271 online features

240 mn platform access

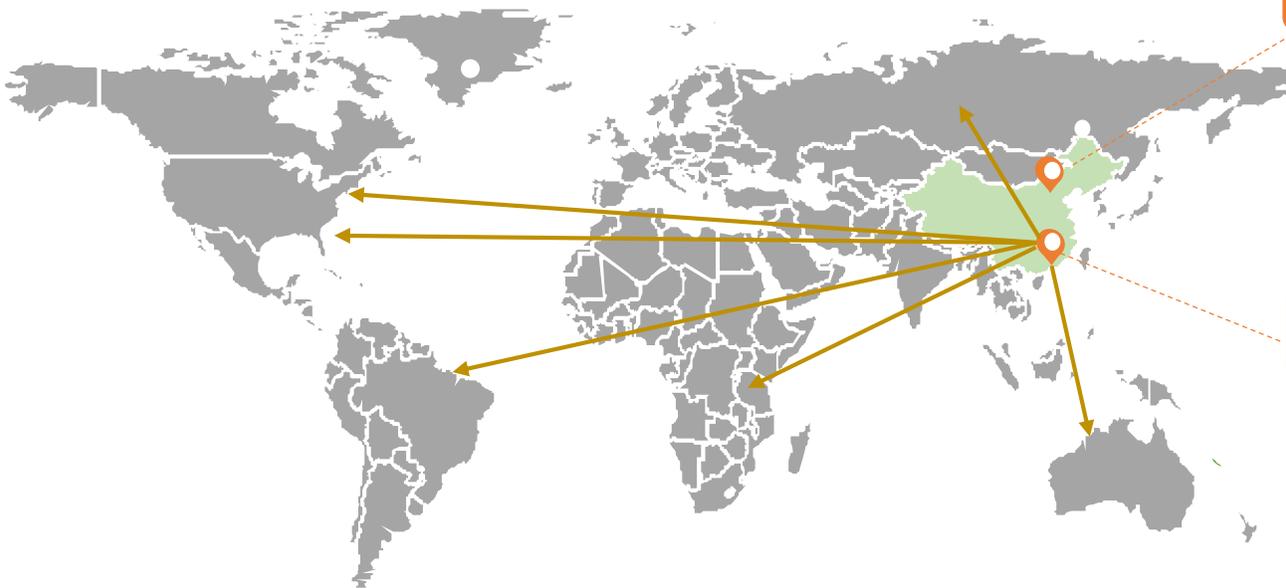
↑**48.4%** platform access

Customer Value

Sky Pearl Member **14.7%** ↑
34.52 mn

Regular Customer revenue **11.5%** ↑
36.16 bn





New Routes

- Guangzhou  Cairns
- Guangzhou  Vientiane
- Guangzhou  Vancouver  Mexico City
- Guangzhou  Colombo  Male

Stick to "One Belt and One Road" Strategy



Guangzhou hub transit passengers **24.2%** ↑



Guangzhou hub transit income **22.6%** ↑



Strategic Cooperation with

American Airlines



- **US\$200 million** equity investment
- **270.6 million** shares represents
- **2.68%** of CSA's shares



Codeshare Cooperation on 585 routes



New global partners



BRITISH AIRWAYS





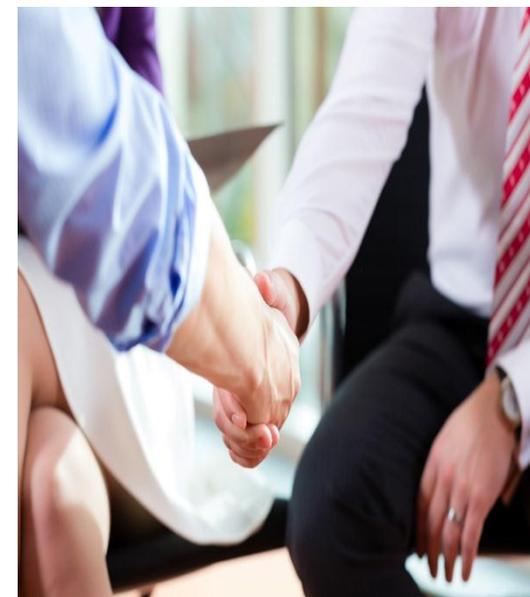
Customer driven with excellent services



Accessible website



Kapok International Boutique Route



National Quality Benchmark

02

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2017 Annual Results Highlights

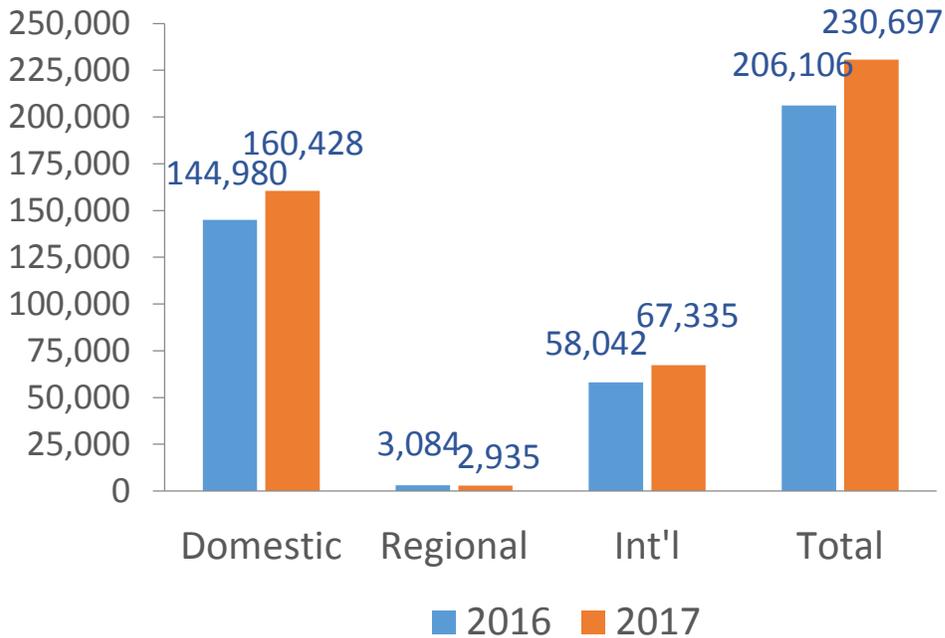


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	2017	vs 2016
Total Operating Revenue	RMB 127,806m	+11.2%
Attributable to Equity shareholders of the Company	RMB 5,961m	+18.2%
Per share	RMB 0.60	+17.6%
EBITDA	RMB 25,691m	+9.9%
ASK	280,646m	+9.6%
ATK	38,332m	+9.6%
Pax Load Factor	82.2%	+1.7pts
Overall Load Factor	71.3%	+1.6pts
Aircraft Utilization(Hr)	9.79	+0.26h

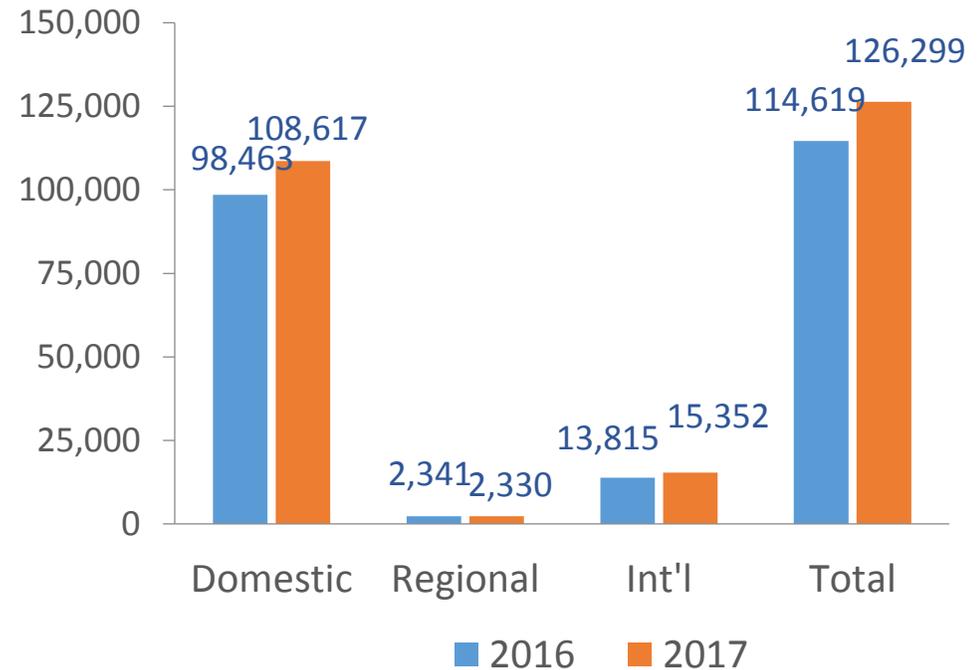
Revenue Passenger Kilometers (RPK)

RMB million



Passenger

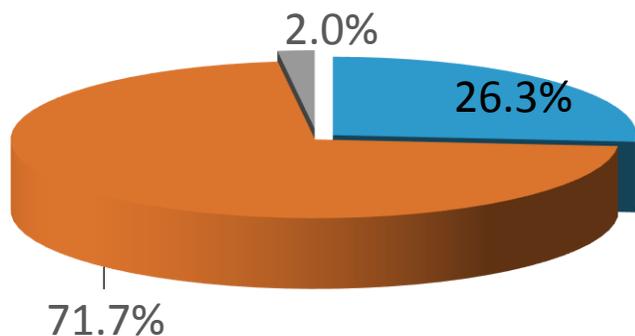
RMB million



2017 Traffic Revenue Breakdown

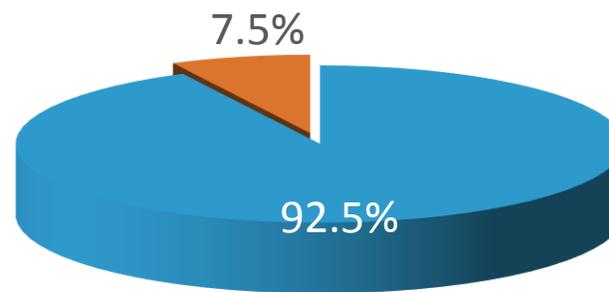


Revenue breakdown (Geographic)



■ International ■ Domestic ■ Regional

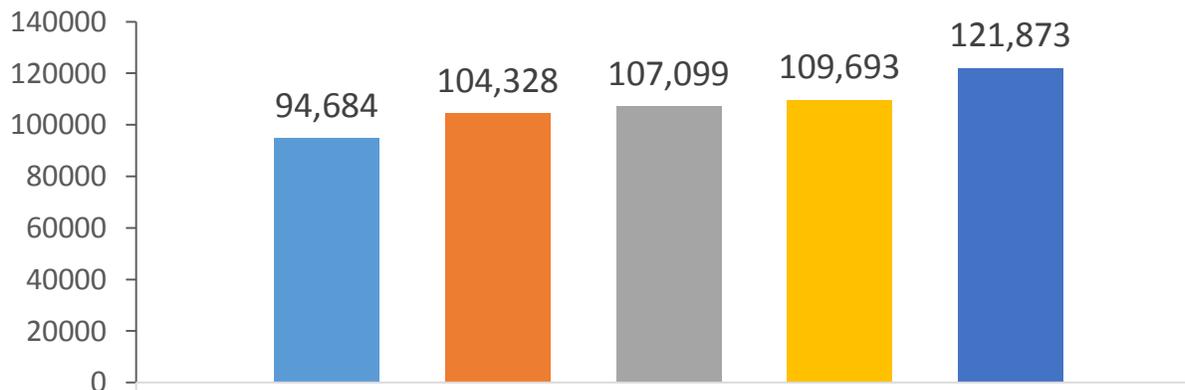
Revenue breakdown (Product)



■ Passenger ■ Cargo & Mail

Transportation Revenue

RMB million



■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017



			PAX Yield in RMB
Market Segment	2017	2016	Change
Domestic	0.53	0.53	+0%
Regional	0.78	0.72	+8.3%
International	0.37	0.40	-7.5%
Average	0.49	0.50	-2.0%
			Cargo Yield in RMB
Market Segment	2017	2016	Change
Domestic	1.17	1.15	+1.7%
Regional	4.23	3.91	+8.2%
International	1.32	1.14	+15.8%
Average	1.30	1.16	+12.1%

2017 Annual Operating Costs



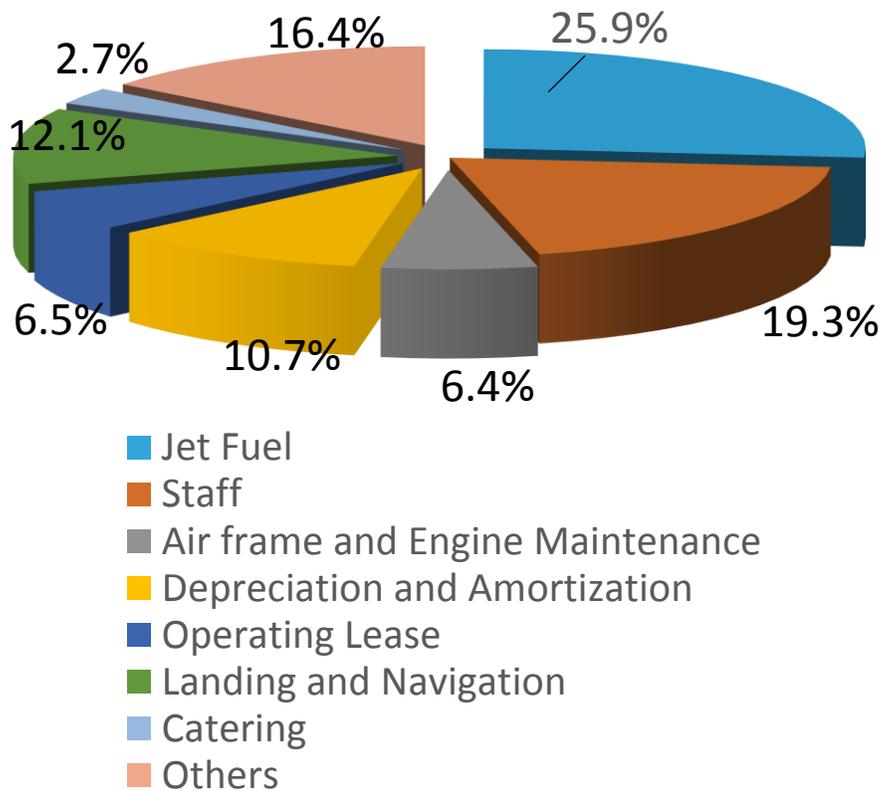
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	2017	2016	Change
	RMB million	RMB million	
Jet Fuel	31,895	23,799	+34.0%
Staff	23,709	20,846	+13.7%
Airframe and Engine Maintenance	7,930	7,952	-0.3%
Depreciation and Amortization	13,162	12,619	+4.3%
Operating lease	8,022	7,325	+9.5%
Landing and Navigation	14,910	13,109	+13.7%
Catering	3,379	2,965	+14.0%
CAAC Infrastructure Development Fund	2,720	2,565	+6.0%

Cost Structure and Unit Cost

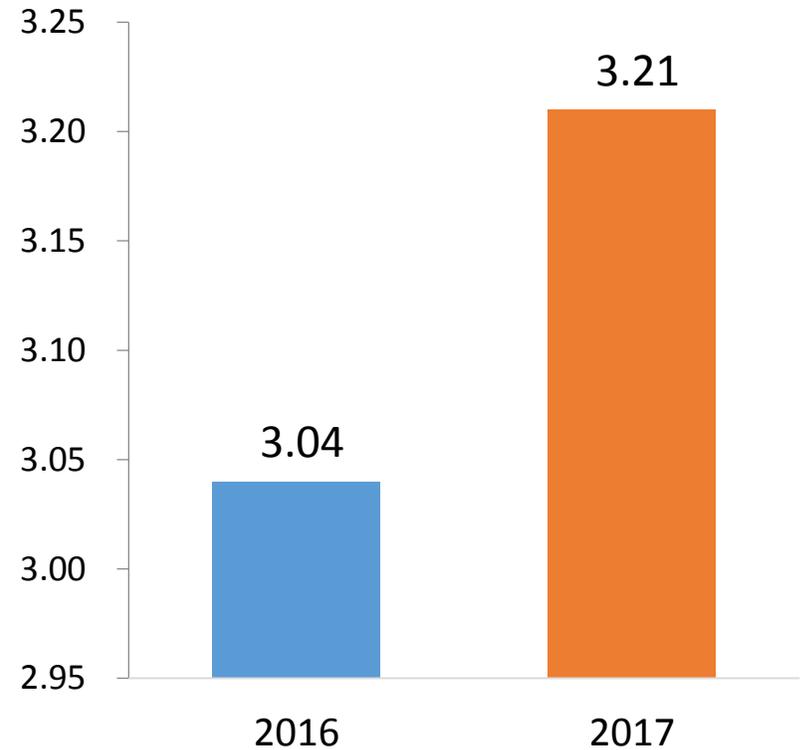


Operating Cost Structure



Unit Cost per ATK (RMB)

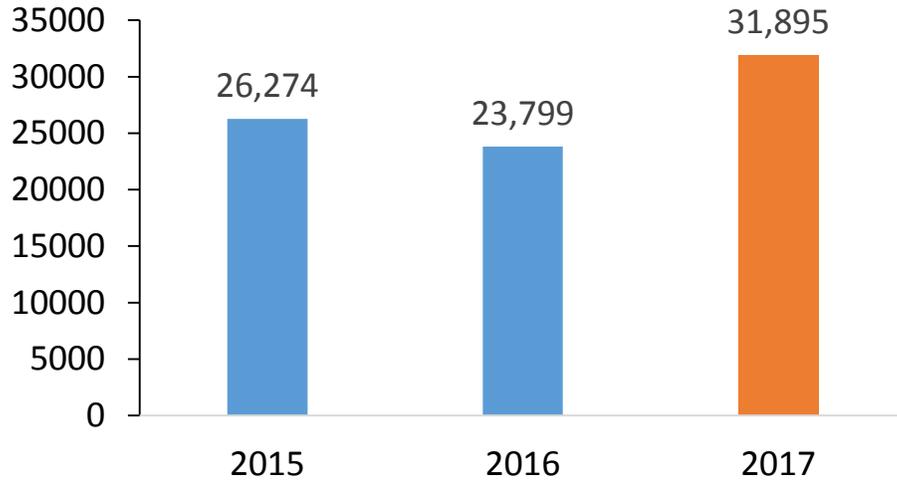
RMB million





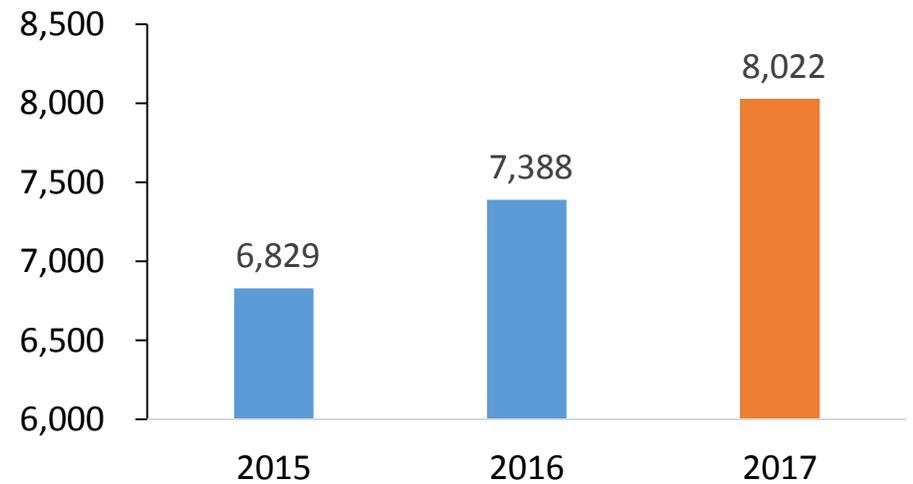
Fuel Cost (RMB)

RMB million



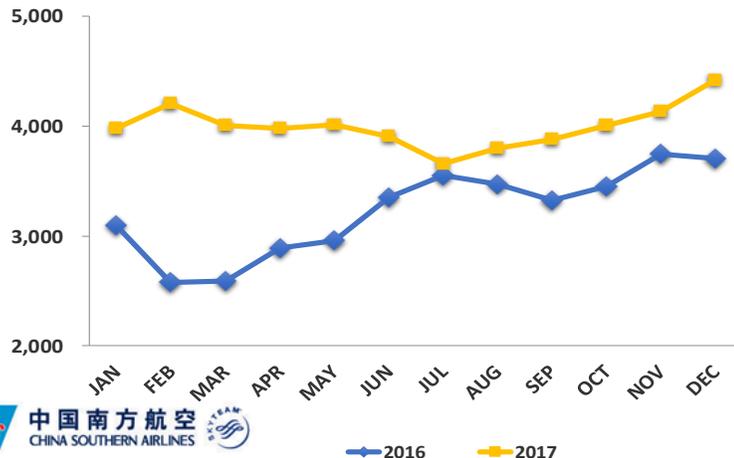
Aviation Fuel Consumption

KT



Monthly Jet Fuel Price (RMB/TON)

RMB thousand



Sensitivity Performance



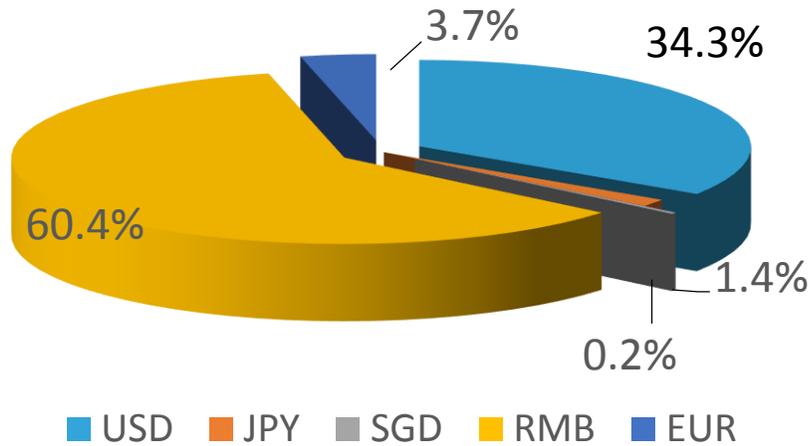
Oil price USD 1

Net Revenue RMB 320m

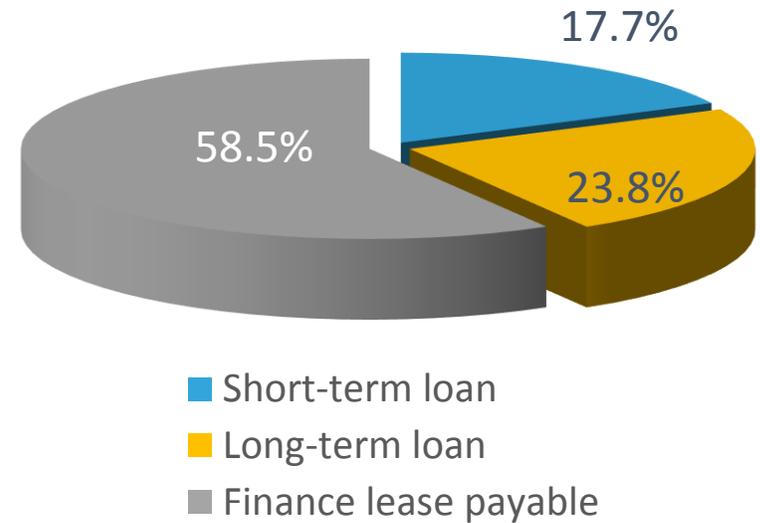
Debt Analysis



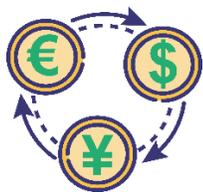
Debt Structure (RMB million Equivalent)



Term of the Debt



Exchange Rate Sensitivity Performance



RMB/USD 1%

Net Profit RMB 278m

Interest Rate Sensitivity Performance



Interest Rate 25bp

Interest Cost RMB 210m



As of 31 Dec 2017



754
aircrafts

1st
in Asia

Aircraft type	Operating Leased	Finance Leased	Owned	Total	Avg. Age	Daily profit rate
A380	0	2	3	5	5.7	8.8
A330-300	8	20	1	29	4.2	12.2
A330-200	2	7	7	16	8.6	11.8
A321	22	42	34	98	6.9	9.5
A320	37	41	57	135	8.1	9.8
A319	17	0	14	31	10.2	9.8
A320NEO	7	0	0	7	0.8	7.4
B787-8	2	13	1	16	3.6	12.2
B787-9	0	4	0	4	0.8	11.0
B777-300ER	0	9	1	10	2.6	13.9
B777-200	0	0	2	2	21.6	9.0
B757-200	0	0	6	6	16.3	7.6
B737-8MAX	0	7	0	7	0.1	6.3
B737-800	146	63	101	310	5.6	9.6
B737-700	3	0	35	38	10.1	9.2
B737-300	0	0	0	0	0	8.0
EMB190	20	0	6	26	5.5	8.4
B747-400F	0	0	2	2	15.4	1.0
B777-200F	0	5	7	12	5.3	12.1
Total	264	213	277	754	6.7	9.79
lease (%)	35.0%	28.2%	36.7%	100.0%	/	/
Aircraft type (%)	Boeing 54.0%	Airbus 42.6%	Others 3.4%	100.0%	/	/

Delivery and Retirement Plan (2018-2020)



Passenger	Aircraft type	2017	2018			2019			2020		
		Year-end	Delivery	Retirement	Year-end Forecast	Delivery	Retirement	Year-end Forecast	Delivery	Retirement	Year-end Forecast
wide-body aircraft	A380	5			5			5			5
	A330-300	29	5		34		-1	33		-7	26
	A330-200	16			16		-2	14			14
	A350-900				0	6		6	6		12
	B787-8	16			16			16			16
	B787-9	4	10		14	7		21	5		26
	B777-300ER	10			10	5		15	3		18
	B777-200	2		-2	0			0			0
Total		82	15	-2	95	18	-3	110	14	-7	117
Narrow-body Aircraft	A321	98	21		119	25	-2	142	14	-3	153
	A320	142	18	-7	153	15	-11	157	8		165
	A319	31			31	2	-4	29	2	-7	24
	B757-200	6		-6	0			0			0
	B737-700	38		-3	35			35			35
	B737-800	310	35	-11	334		-1	333			333
	B737-8MAX	7	26		33	45		78	51		129
Total		632	100	-27	705	87	-18	774	75	-10	839
Embraer	EMB190	26			26		-8	18		-9	9
Cargo	B747-400F	2			2			2			2
	B777-200F	12			12			12			12
Total		754	115	-29	840	105	-29	916	89	-26	979



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03

Business Overview & Operational Highlights

2017 Financial Highlights

Development Outlook



Build a world-class air transport company with global competitiveness





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Q & A





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Disclaimer

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