





To shareholders:

I am pleased to announce the 2005 financial and operational results of Beijing Capital International Airport Company Limited and its subsidiary (together the "Group").

FINANCIAL RESULTS

For the fiscal year ended 31 December 2005, the Group's revenues were Rmb3,094,332,000, representing a decrease of 1.25% from the previous year. The total costs were Rmb1,666,154,000, representing a decrease of 12.10% from the previous year. Both of the decreases were mainly resulted from the Company's transformation from self-operation to franchising of certain non-aeronautical businesses in 2005. The profit attributable to the equity holders of the Company was Rmb908,509,000, representing an increase of 21.24% over the previous year.

The earnings per share of the Group were Rmb0.24 in 2005, compared with Rmb0.19 in 2004.

The board of directors of the Company (the "Board") recommends the payment of a final dividend of Rmb0.08309 per share for the year 2005. Such dividend will be payable after approval has been granted at the annual general meeting of the Company. Together with the interim dividend of Rmb0.02988 per share, which was paid on Monday, 31 October 2005, the total dividends for the year were Rmb0.11297 per share (total dividends in 2004: Rmb0.08989 per share).



OPERATIONAL RESULTS

In 2005, the GDP of China and Beijing increased by 9.9% and 11.1%, respectively, compared to 2004. Due to the steady economic growth, enhanced throughput capacity through facility reconstruction and the effective safety and security guarantee, all air traffic volumes at the Beijing Airport remain bullish. In 2005, the aircraft movements and passenger throughput reached 341,681 and 41,004,008, respectively, representing an increase of 12.1% and 17.5% respectively over the previous year. Freight throughput increased by 17.0%, reaching up to 782,066 tonnes. The statistics of Airports Council International showed that the passenger throughput at the Beijing Airport ranked 14th in the world in 2005.

In 2005, in view of the continuous growing market demands, the Company continued its re-construction of the existing facilities to enhance their capacities. The Company finished the construction of new express exits from the runways, 21 new aircraft parking stands, 42 new check-in counters and 31 new service counters and the re-construction of security check channels. These completed projects have effectively reinforced the current facilities, and enhanced the aircraft and passenger handling capacities of the Beijing Airport.

In 2005, the Company continued its transformation from a direct operator to a management-styled airport company. In the beginning of 2005, the Company succeeded in the franchise of retailing, restaurant, other food and beverage businesses and advertising. Thereafter, the Company can focus more on the management, planning and marketing of the entire resources other than the daily operations. Last year, the Company lowered the food and beverage prices at the Beijing Airport through joint efforts with the franchisers to improve the passengers' consumption experience. In addition, under the approval of the General Administration of Civil Aviation (the "CAAC") and the extraordinary general meeting held on 15 March 2006, the Company, as a pilot airport, franchised its ground handling services and air catering services. As for the other business sectors, the Company is moving the self-operation model gradually away from the labor-intensive business and implementing outsourcing of the non-core businesses such as aviation and security services, greening and environmental maintenance services and accessorial power and energy services.

PROSPECTS

For year 2006, steady economic growth will continue to promote the ever-increasing demand for the aviation industry. The ongoing reconstruction projects of present facilities at the Beijing Airport, including the reconstruction of parking aprons, extension of aircraft parking stands, increase of check-in counters in the terminal, and the upgrading and reconstruction of luggage and information systems, will have been completed by the end of 2006, and as a result of which, the throughput capacity will be further enhanced. Benefiting from these, the CAAC has lifted the maximum limit of aircraft movements at the Beijing Airport per day from 1,000 to 1,100. On the other hand, the CAAC issued a circular to relax its control on red-eye flights in February 2006, allowing take-offs after midnight and even until two o'clock in the morning in implementing the summer and autumn flight schedule (at Beijing Airport, the limit of 1,100 aircraft movements does not include such flights). All these favorable factors will contribute to more air traffic volumes at the Beijing Airport and so the Company expects its global ranking will further rise.

In the first quarter of 2006, the passenger throughput and aircraft movements reached 10,436,566 and 84,907, respectively, representing an increase of 19.50% and 9.40%, respectively over the same period of the previous year, and freight throughput reached 202,280 tonnes, representing an increase of 19.47% over the same period of the previous year.

For 2006, the Company will further adjust its operation model in non-aeronautical businesses. The Company will strengthen the cooperation with external franchisers, aiming at providing better travel experience and satisfactory services to the passengers. The commodity category within the airport terminals will be adjusted to promote the total value of the business space, so that the value of all the resources will be optimized.

For 2006, the Company will continue to implement the Company's strategic transformation from the direct operation model to the management-styled airport company, to strengthen the Company's role and position as the planner and developer of the Beijing Airport resources, as well as the regulator of the airport's operation standards and organizer of the airport's operations.

The phase three expansion of the Beijing Airport, which is under construction, will help the Company to meet the rapid growing air traffic market demands through 2015. It will also facilitate the Beijing Airport to become an airport hub in the Asia-Pacific. So far, the project is moving forward smoothly and the Company has set up several professional project teams to study the operating mode of the future airport and prepare for its utilization. Their work includes the study on the whole operating mode, evaluations on the key processes with assistance from the Company's strategic partner ADP Management SA, planning and preparation of business invitations for retailing, restaurant and other food and beverage businesses and advertising at the Terminal Three, and the internal study on the fund demands required to take over the major assets of the expansion project at the Beijing Airport.

In 2006, the Company will continue to actively coordinate and promote the development of the civil aviation industry. Up to the date of this statement, relevant government authorities have been discussing the reform of the airport charge structure. The Company will continuously follow the development of the above mentioned issues and will disclose such updates, if any, to all shareholders.

The Group's achievements made in the year of 2005 are totally attributed to the hard work of all staff. I sincerely appreciate all the staff of the Group and sincerely appreciate the support from all shareholders and other related parties as ever.

By order of Directors
Wang Zhanbin
Chairman

Beijing, the PRC
12 April 2006