



CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2004

	Notes	2004 RMB'000	2003 RMB'000
Air traffic revenues	4	30,834,822	23,422,660
Other operating revenues	5	2,685,935	1,218,745
		33,520,757	24,641,405
Operating expenses			
Jet fuel		(8,353,752)	(5,425,059)
Take-off, landing and depot charges		(4,230,349)	(3,449,769)
Depreciation		(3,463,252)	(3,377,472)
Aircraft maintenance, repair and overhaul		(2,835,648)	(2,149,353)
Employee compensation costs	7	(2,921,322)	(2,379,102)
Air catering charges		(1,171,784)	(842,743)
Aircraft and jet engines operating lease expenses		(1,071,256)	(910,134)
Other operating lease expenses		(187,471)	(181,984)
Other flight operation expenses		(2,698,234)	(2,112,432)
Selling and marketing expenses		(1,387,088)	(1,057,630)
General and administrative expenses		(715,350)	(471,463)
Total operating expenses		(29,035,506)	(22,357,141)
Profit from operations	6	4,485,251	2,284,264
Finance costs	8	(1,799,873)	(2,349,078)
Dilution gains on investments	9	410,137	—
Share of profits less losses from associates		561,018	243,093
Profit before tax		3,656,533	178,279
Tax	12	(1,107,838)	(89,781)
Profit for the year		2,548,695	88,498
Attributable to:			
Equity holders of the parent		2,385,964	159,604
Minority interests		162,731	(71,106)
		2,548,695	88,498
Earnings per share			
— Basic	15	36.0 cents	2.5 cents
— Diluted	15	36.0 cents	—