



TravelSky Technology Limited

Stock Code: 00696.HK

H shares listed on 7 Feb 2001

2016 INTERIM RESULTS

Aug. 2016



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Company Highlights

The dominant provider of information technology solutions for China's aviation and travel industry

- With three decades of tenacious development, we have developed a wide range of leading information technology products and services along the value chain of the industry



- Services tailored to the needs of its extensive clientele



Airlines



Airports



Travel Product Providers



Travel Agencies



Air Travel Consumers



Cargo Shippers

Shareholders Structure

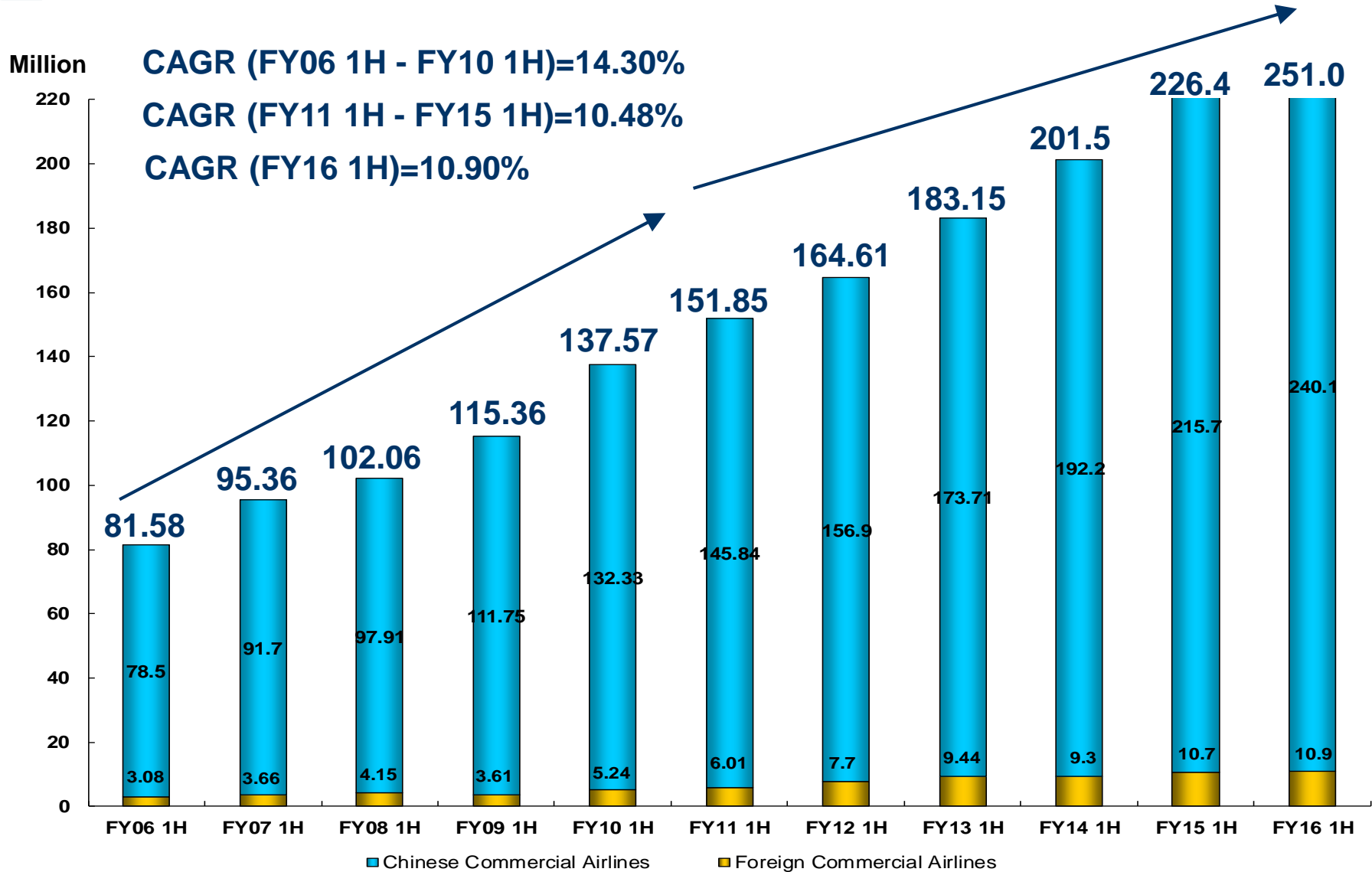


Operating Overview

(Million)	20161H	20151H	YOY Change
System Processed Volume	251.0	226.4	10.9%
Chinese Commercial Airline	240.1	215.7	11.3%
Foreign Commercial Airline	10.9	10.7	1.9%
CUSS, online, mobile & SMS self check-in service processed passenger departures	80.3	53.1	51.2%
BSP Tickets (Processed By ACCA)	133.1	136.5	-2.5%
Airway Bills	8.0	7.6	5.3%

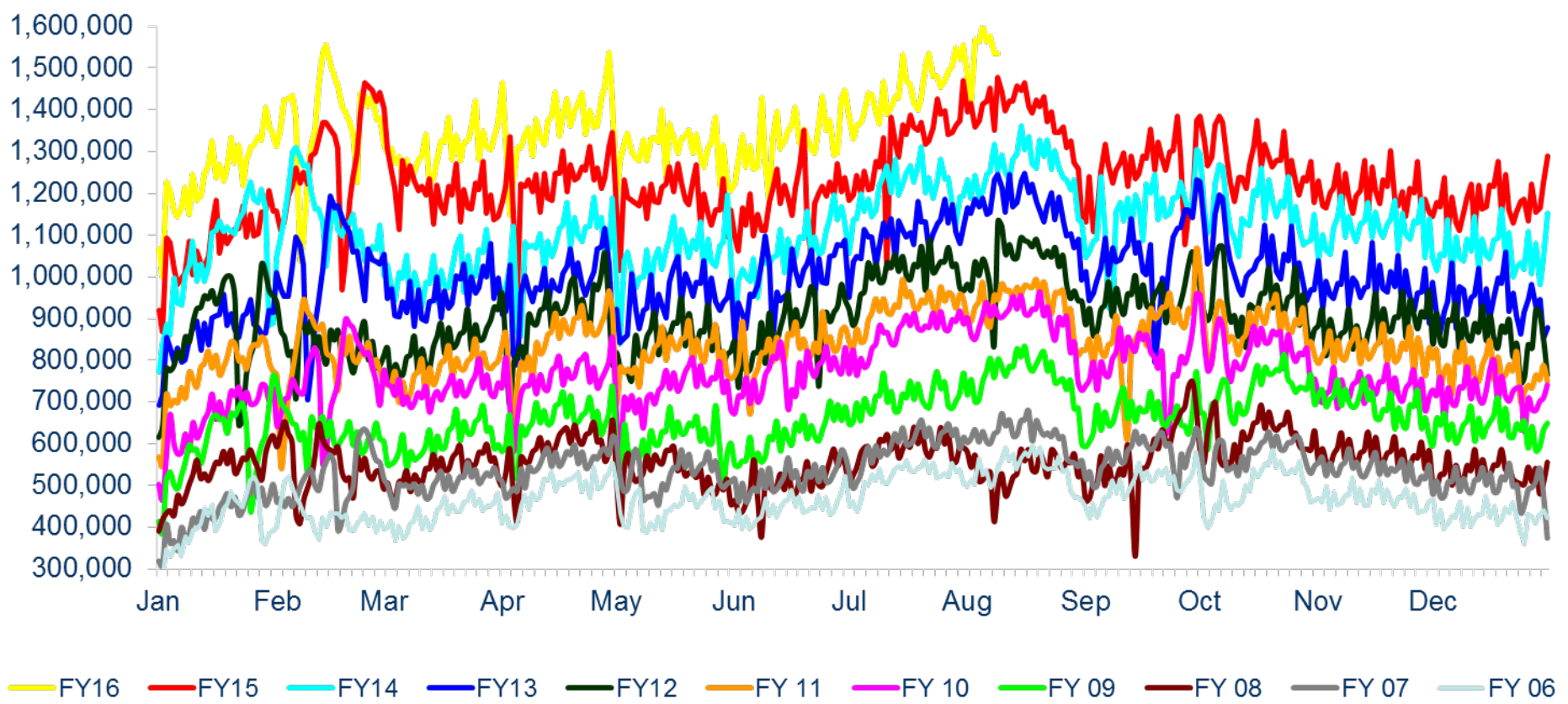
Note : Visit [http:// www.travelskyir.com](http://www.travelskyir.com) for monthly operational data.

System Processed Volume



Seasonal Fluctuation

Daily System Processed Volume of Chinese Commercial Airlines



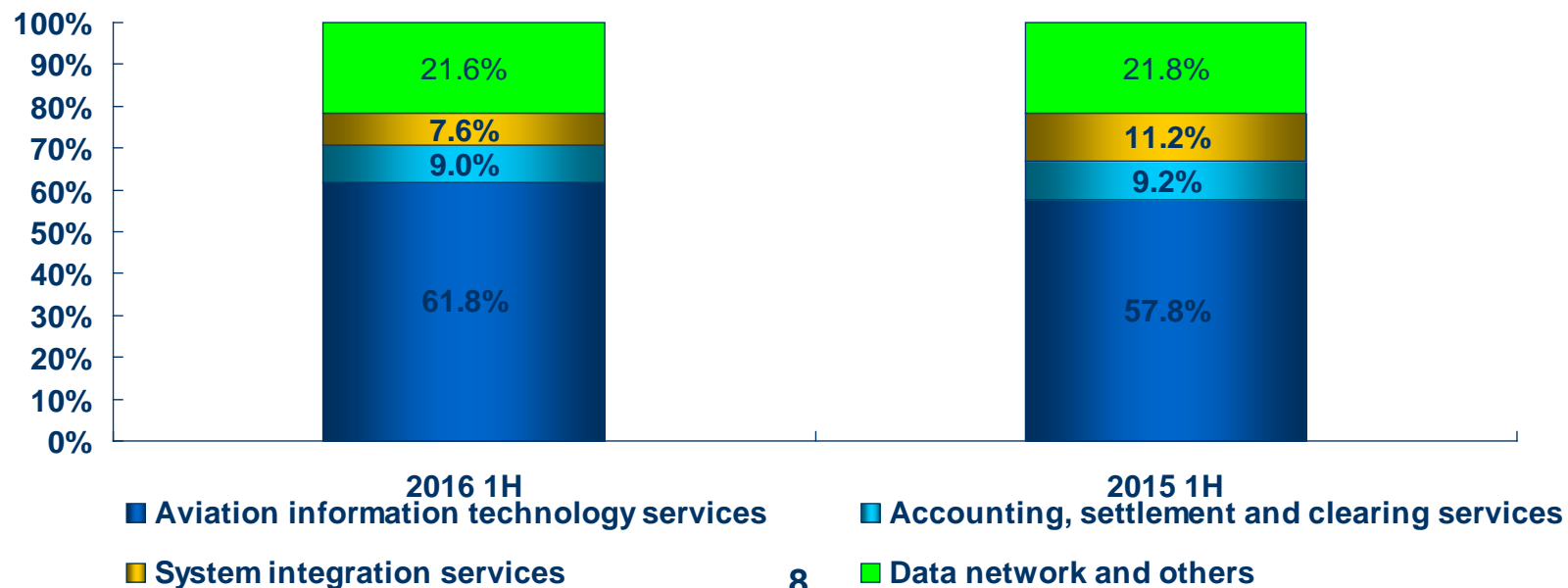
Financial Highlights

	2016 1H	2015 1H	YOY Change
Total Revenues (RMB Million)	2,733.6	2,632.9	3.8%
Operating Profit (RMB Million)	1,182.4	909.0	30.1%
Profit Attributable To Equity Holders (RMB Million)	1,489.9	1,156.4	28.8%
EBITDA (RMB Million)	1,935.3	1,602.2	20.8%
Basic & Diluted Earnings Per Share (RMB)	0.51	0.40	27.5%
Operating Margin	43.3%	34.5%	8.8pts
Gearing Ratio	23.6%	19.9%	3.7pts

Note: In 2015 1H and 2016 1H, government grant amounting to RMB410 million and 500 million were awarded to the Company respectively by the local government agencies as incentive to encourage and support the Company in its operation of information technology services business in Beijing Shunyi District.

Revenue Analysis

	2016 1H	2015 1H	YOY Change
Total Revenues (RMB Million)	2,733.6	2,632.9	3.8%
Aviation information technology services	1,688.6	1,521.3	11.0%
Accounting, settlement and clearing services	246.2	243.4	1.2%
System integration services	207.8	294.5	-29.4%
Data network and others	591.0	573.7	3.0%

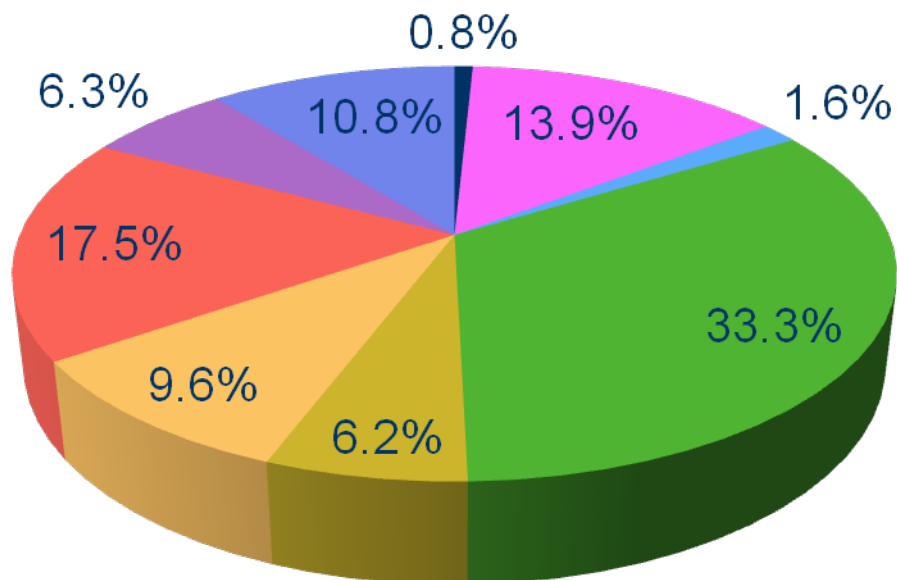


Operating Expense Analysis

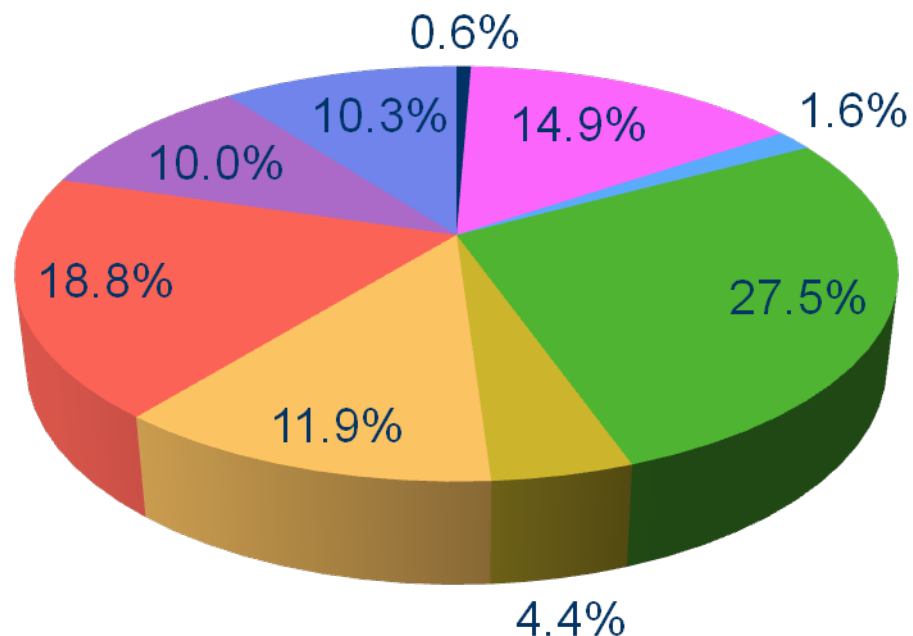
	2016 1H	2015 1H	YOY Change
Total operating expenses (RMB Million)	1,551.3	1,723.8	-10.0%
Business taxes & other surcharges	12.4	10.9	13.4%
Depreciation & amortisation	216.1	256.6	-15.8%
Network usage fees	25.3	28.0	-9.6%
Personnel expenses	516.1	473.3	9.0%
Operating lease payments	95.8	75.3	27.3%
Technical support & maintenance fees	148.9	205.0	-27.4%
Commission & promotion expenses	271.5	323.9	-16.2%
Cost of software & hardware sold	97.5	172.7	-43.6%
Other operating expenses	167.7	178.1	-5.8%

Operating Expense Analysis

FY16 1H



FY15 1H



- Business taxes and other surcharges
- Network usage fees
- Operating lease payments
- Commission and promotion expenses
- Other operating expenses

- Depreciation and amortisation
- Personnel expenses
- Technical support and maintenance fees
- Cost of software and hardware sold

Capital Expenditure

	Actual		Planned
	2016 1H	2015 1H	2016
Total Capital Expenditure (RMB Million)	222.3	259.6	1,801.0
Construction of new operating centre in Beijing	173.1	222.1	1,055.5
Update & MA of the existing system	17.2	10.0	186.7
Development of new generation system	13.8	17.9	178.8
Others	18.2	9.6	380.0

Note : From 2011 to the half of 2016, the Phase I work of the new operating centre in Beijing has accumulated an expenditure of approximately **RMB1,901 million**, representing **52.0%** of the construction budget plan of the Phase I work.

Construction of Beijing new operating centre

◆ Proposed construction in phases and investment

- Construction work is divided into two phases
- Investment amount of Phase 1 work : RMB3.655 billion(subject to upward/downward adjustment of not more than 10%).

◆ Proposed construction area and purposes

- Total area : 533,000 sq. m., with 376,000sq.m. above ground and 157,000sq.m. underground, including office area, production area, supporting facilities area and multipurpose;
- Phase 1 area: 368,000sq. m., with 244,000sq.m. above ground and 124,000sq.m. underground, including an engine building, a machinery building, a power and energy building, a headquarters office building, research and development centre buildings, settlement centre buildings, an operating centre building, a cultural and sports centre and dormitory buildings comprising 13 buildings in total.

Construction of Beijing new operating centre

◆ Phase 1 work progress

In 2016, 13 buildings have already been under construction. Among which, the production area consists of server building A, a power building and the operating centre, with a gross floor area of approximately 117,000 sq. m.; the office area consists of the headquarters building, the research and development centre and the settlement centre, with a gross floor area of approximately 170,000 sq. m.; and the ancillary area consists of an energy building, a cultural and sports centre, a shift dormitory and an underground garage, etc., with a gross floor area of approximately 81,000 sq. m.



Prospects during the 13th Five-Year Plan

◆ Macro Situation

- The plunging and recovering of the world economy amidst twists
- The “New Normal” of China’s economy
- Key stage for building a well-off society in an all-rounded way
- Implement the strategy of regional economic development
- Arduous task of adjustment, innovation and reformation of the stated-owned enterprises

◆ Industry Trend

- New stage of comprehensive transportation system and the national civil aviation power strategy

◆ Policy Directions

- The national Internet Power strategy, the Internet Plus Action Plan and the national Big-data strategy
- Support the new-generation information technology industries
- Construct the new-generation information infrastructure
- Implement key projects for Big-Data development

◆ Technology Application

- Further Integration between information technology and tourism and the transportation sector

Prospects for the 2016

- ◆ **Embracing the goal of “growth stability, structural adjustment, risk prevention”, further adjusting and refining development strategies, implementing thorough reformation, carrying out innovation-driven development and opening up co-operations**
 - Refining business structure, optimizing resources allocation and exploring international business operation in order to enhance the quality and efficiency of development
 - Promoting technological innovation, business innovation, management innovation and service innovation, thereby expediting the implementation of the innovation-driven development strategy
 - Focusing on the service philosophy, strengthening service management , refining service supervision mechanism and improving customer service
 - Laying a solid hardware foundation for long-term development by ensuring adherence of the new operating center in Shunyi, Beijing to its construction schedule, reinforcing risk prevention and planning removal and relocation work
 - Intensifying internal reforms, enhancing the implementation of strategies and strengthening fundamental management and promoting the upgrading of its management capabilities

Q&A

Investor Relations

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- The compliance website: <http://www.travelskyir.com>
Obtain the financial reports, announcements, circulars, operational data and other materials of the Company
- Address: No.157, Dongsì West Street, Dongcheng District, Beijing 100010, P. R. China

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