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CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

October 2017 Traffic Figures

The appended press release contains combined traffic figures for October 2017 for Cathay Pacific Airways Limited (“**Cathay Pacific**”) and its wholly owned subsidiary, Hong Kong Dragon Airlines Limited (“**Cathay Dragon**”). The information in the press release may be price sensitive. This announcement containing the press release is accordingly being issued pursuant to Part XIVA of the Securities and Futures Ordinance. The information in the press release has been prepared on the basis of internal management records. It has not been audited or reviewed by external auditors.

This announcement is issued by Cathay Pacific pursuant to Part XIVA of the Securities and Futures Ordinance.

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Investors are advised to exercise caution in dealing in shares of Cathay Pacific.

As at the date of this announcement, the Directors of Cathay Pacific are:

Executive Directors: John Slosar (Chairman), Rupert Hogg, Gregory Hughes, Paul Loo, Martin Murray;

Non-Executive Directors: Cai Jianjiang, Ivan Chu, Michelle Low, Song Zhiyong, Merlin Swire, Samuel Swire, Xiao Feng, Zhao Xiaohang;

Independent Non-Executive Directors: John Harrison, Irene Lee, Andrew Tung and Peter Wong.

By Order of the Board

Cathay Pacific Airways Limited

David Fu

Company Secretary

Hong Kong, 16th November 2017

16 November 2017

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES COMBINED TRAFFIC FIGURES
FOR OCTOBER 2017**

Cathay Pacific Airways today released combined Cathay Pacific and Cathay Dragon traffic figures for October 2017 that show an increase in both the number of passengers carried and cargo and mail uplifted compared to the same month in 2016.

Cathay Pacific and Cathay Dragon carried a total of 2,924,762 passengers last month – an increase of 6.0% compared to October 2016. The passenger load factor dropped 0.2 percentage points to 81.3%, while capacity, measured in available seat kilometres (ASKs), increased by 4.6%. In the first ten months of 2017, the number of passenger carried increased by 0.7% while capacity rose by 2.3%.

The two airlines carried 180,706 tonnes of cargo and mail last month, an increase of 4.8% compared to the same month last year. The cargo and mail load factor rose by 1.2 percentage points to 69.3%. Capacity, measured in available cargo/mail tonne kilometres, was up by 2.4% while cargo and mail revenue tonne kilometres (RTKs) increased by 4.2%. In the first ten months of 2017, the tonnage rose by 10.8% against a 3.1% increase in capacity and an 8.7% increase in RTKs.

Cathay Pacific Director Commercial and Cargo Ronald Lam said: “Our performance in the first half of the month was boosted by an increase in leisure travel demand around a number of public holidays in the region, including National Day and the Mid-Autumn Festival, from our key sales territories of mainland China, Korea and Taiwan. Premium traffic maintained its momentum across most of the network, achieving good growth on the back of strong demand and additional capacity, although long-haul yield continues to come under pressure from intense competition.

“Our cargo business enjoyed a strong month and we broke our weekly tonnage uplift record during the week ending 21 October. Stepping into the traditional peak period, demand for new IT products and perishables was robust. We deployed additional freighter capacity on transpacific, India and mainland China routes, while our load factor and yields continued to climb. October also marked an important milestone for our Pharma LIFT business – along with our wholly-owned subsidiaries Cathay Pacific Services Limited and Hong Kong Airport Services Limited, the airline was awarded CEIV Pharma Certification in recognition of our capability in handling high value and time-sensitive pharmaceutical products.”

The full October figures are on the next page.

CATHAY PACIFIC / CATHAY DRAGON COMBINED TRAFFIC	OCT	% Change	Cumulative	% Change
	2017	VS OCT 2016	OCT 2017	YTD
RPK (000)				
- Mainland China	762,929	5.8%	7,608,839	0.3%
- North East Asia	1,367,581	4.5%	13,126,119	1.7%
- South East Asia	1,430,378	5.4%	14,575,433	-1.8%
- India, Middle East, Pakistan & Sri Lanka	545,988	2.0%	5,803,709	-5.2%
- South West Pacific & South Africa	1,461,969	3.2%	14,231,269	-0.1%
- North America	2,756,427	0.6%	28,745,463	0.1%
- Europe	2,165,895	9.5%	21,314,923	13.3%
RPK Total (000)	10,491,167	4.3%	105,405,755	2.1%
Passengers carried	2,924,762	6.0%	28,924,414	0.7%
Cargo and mail revenue tonne km (000)	1,025,602	4.2%	9,457,289	8.7%
Cargo and mail carried (000kg)	180,706	4.8%	1,676,028	10.8%
Number of flights	6,932	4.6%	66,709	1.2%

CATHAY PACIFIC / CATHAY DRAGON COMBINED CAPACITY	OCT	% Change	Cumulative	% Change
	2017	VS OCT 2016	OCT 2017	YTD
ASK (000)				
- Mainland China	1,021,010	3.0%	9,833,419	1.4%
- North East Asia	1,639,084	1.3%	15,814,964	-2.3%
- South East Asia	1,768,221	3.1%	17,437,548	-1.2%
- India, Middle East, Pakistan & Sri Lanka	705,627	-6.2%	7,010,892	-9.0%
- South West Pacific & South Africa	1,704,648	6.5%	16,742,155	2.9%
- North America	3,444,249	5.4%	33,921,858	3.0%
- Europe	2,622,431	9.8%	24,115,532	11.5%
ASK Total (000)	12,905,270	4.6%	124,876,368	2.3%
Passenger load factor	81.3%	-0.2pt	84.4%	-0.2pt
Available cargo/mail tonne km (000)	1,479,420	2.4%	14,129,078	3.1%
Cargo and mail load factor	69.3%	1.2pt	66.9%	3.4pt
ATK (000)				

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Glossary

Terms:

Available seat kilometres (“ASK”)

Passenger seat capacity, measured in seats available for the carriage of passengers on each sector multiplied by the sector distance.

Available tonne kilometres (“ATK”)

Overall capacity measured in tonnes available for the carriage of passengers, excess baggage, cargo and mail on each sector multiplied by the sector distance.

Available cargo/mail tonne kilometres

Cargo capacity measured in tonnes available for the carriage of cargo and mail on each sector multiplied by the sector distance.

Revenue passenger kilometres (“RPK”)

Number of passengers carried on each sector multiplied by the sector distance.

Cargo and Mail revenue tonne kilometres

Traffic volume, measured in load tonnes from the carriage of cargo and mail on each sector multiplied by the sector distance.

Ratio:

$$\text{Passenger/Cargo and mail load factor} = \frac{\text{Revenue passenger kilometres/} \\ \text{Cargo and mail revenue tonne kilometres}}{\text{Available seat kilometres/} \\ \text{Available cargo and mail tonne kilometres}}$$