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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)

February 2018 Traffic Figures

The appended press release contains combined traffic figures for February 2018 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.

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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, 20th March 2018

20 March 2018

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES COMBINED TRAFFIC FIGURES
FOR FEBRUARY 2018**

Cathay Pacific Group today released combined Cathay Pacific and Cathay Dragon traffic figures for February 2018 that show an increase in both the number of passengers carried and cargo and mail uplifted compared to the same month in 2017.

Cathay Pacific and Cathay Dragon carried a total of 2,804,793 passengers last month – an increase of 4.6% compared to February 2017. The passenger load factor increased 0.7 percentage points to 84.1%, while capacity, measured in available seat kilometres (ASKs), increased by 4.9%. In the first two months of 2018, the number of passenger carried grew by 1.2% while capacity increased by 3.7%.

The two airlines carried 145,800 tonnes of cargo and mail last month, an increase of 5.9% compared to the same month last year. The cargo and mail load factor rose by 1.5 percentage points to 65.7%. Capacity, measured in available cargo/mail tonne kilometres, was up by 5.8% while cargo and mail revenue tonne kilometres (RTKs) increased by 8.3%. In the first two months of 2018, the tonnage rose by 10.3% against a 5.1% increase in capacity and a 9.5% increase in RTKs.

Cathay Pacific Director Commercial and Cargo Ronald Lam said: “Whilst competition remains fierce, overall we are tracking along our expected revenue performance on both the passenger and cargo sides so far in 2018. Due to the timing shift in the Chinese New Year holiday, it is more meaningful to compare our combined January and February performance between 2018 and 2017.

“Compared to 2017, passenger volume growth fell slightly behind capacity growth in the first two months of 2018. However, gross passenger yield saw positive growth in the same period, partly driven by favourable exchange rates. Demand during and after the Chinese New Year holiday was very strong, especially on short-haul flights.

“Our cargo performance continued to be strong with both tonnage and yield achieving positive growth over last year. The positive growth in gross cargo yield was also partly contributed by favourable exchange rates.”

The full February figures are on the next page.

CATHAY PACIFIC / CATHAY DRAGON COMBINED TRAFFIC	FEB	% Change	Cumulative	% Change
	2018	VS FEB 2017	FEB 2018	YTD
RPK (000)				
- Mainland China	793,490	10.1%	1,512,341	1.5%
- North East Asia	1,317,330	4.9%	2,636,746	-0.4%
- South East Asia	1,372,250	-0.6%	2,852,611	-1.1%
- India, Middle East, Pakistan & Sri Lanka	517,292	-5.1%	1,146,837	-2.1%
- South West Pacific & South Africa	1,542,982	2.5%	3,296,567	5.9%
- North America	2,522,071	8.5%	5,502,832	3.5%
- Europe	1,961,545	12.2%	4,086,398	5.4%
RPK Total (000)	10,026,960	5.8%	21,034,332	2.6%
Passengers carried	2,804,793	4.6%	5,716,148	1.2%
Cargo and mail revenue tonne km (000)	826,640	8.3%	1,780,485	9.5%
Cargo and mail carried (000kg)	145,800	5.9%	318,422	10.3%
Number of flights	6,319	3.4%	13,197	2.1%

CATHAY PACIFIC / CATHAY DRAGON COMBINED CAPACITY	FEB	% Change	Cumulative	% Change
	2018	VS FEB 2017	FEB 2018	YTD
ASK (000)				
- Mainland China	928,212	0.5%	1,937,598	0.0%
- North East Asia	1,614,869	6.2%	3,223,839	0.2%
- South East Asia	1,641,649	0.1%	3,428,428	-0.2%
- India, Middle East, Pakistan & Sri Lanka	660,294	-2.0%	1,412,864	-1.5%
- South West Pacific & South Africa	1,881,336	12.6%	3,954,977	12.5%
- North America	2,916,521	-0.6%	6,286,741	0.3%
- Europe	2,283,511	13.5%	4,752,742	10.4%
ASK Total (000)	11,926,392	4.9%	24,997,189	3.7%
Passenger load factor	84.1%	0.7pt	84.1%	-0.9pt
Available cargo/mail tonne km (000)	1,258,078	5.8%	2,715,469	5.1%
Cargo and mail load factor	65.7%	1.5pt	65.6%	2.6pt
ATK (000)	2,392,057	5.3%	5,092,421	4.4%

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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:

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