

Cathay Pacific Airways

2004 Annual Results



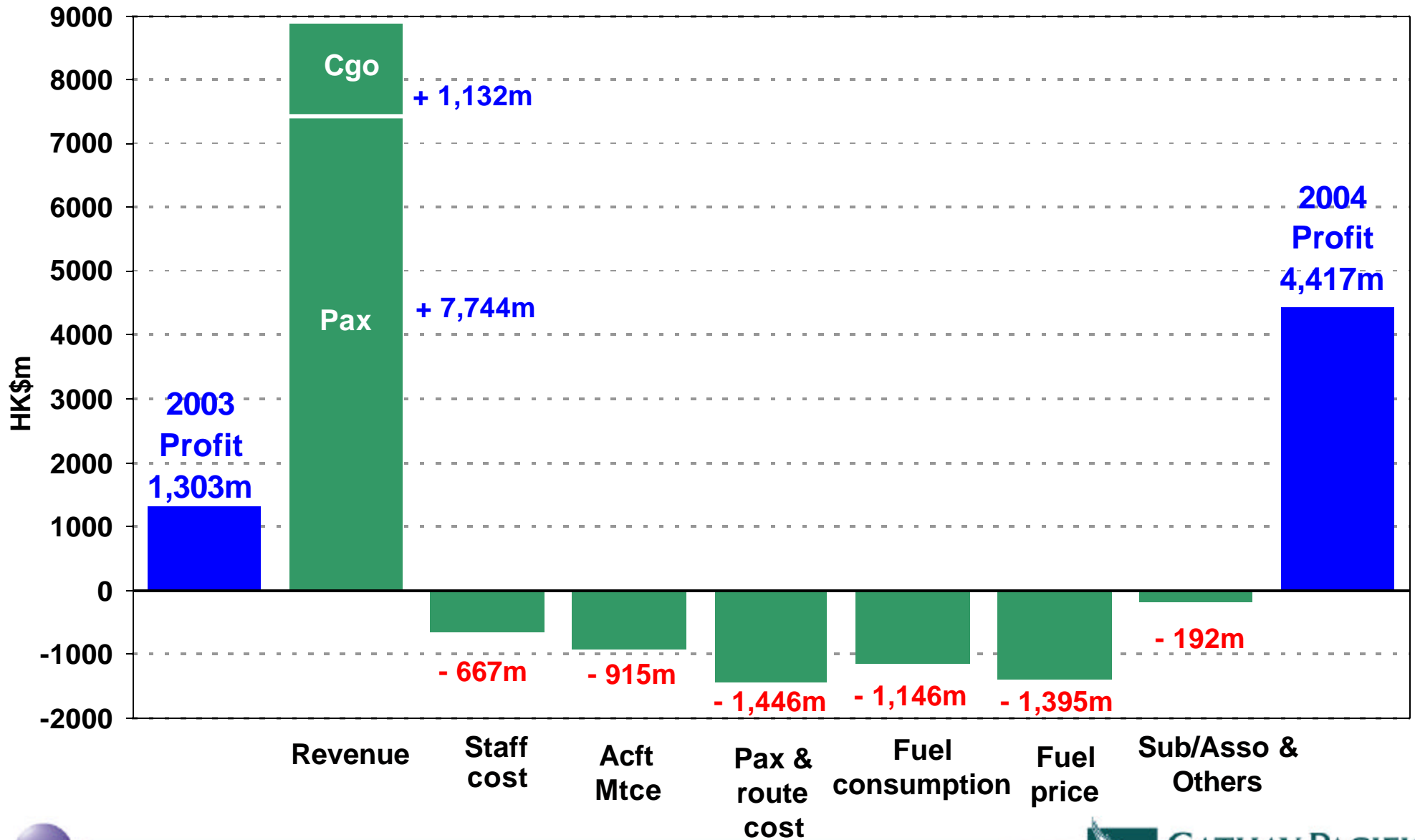
9th March 2005

Annual Result Highlights

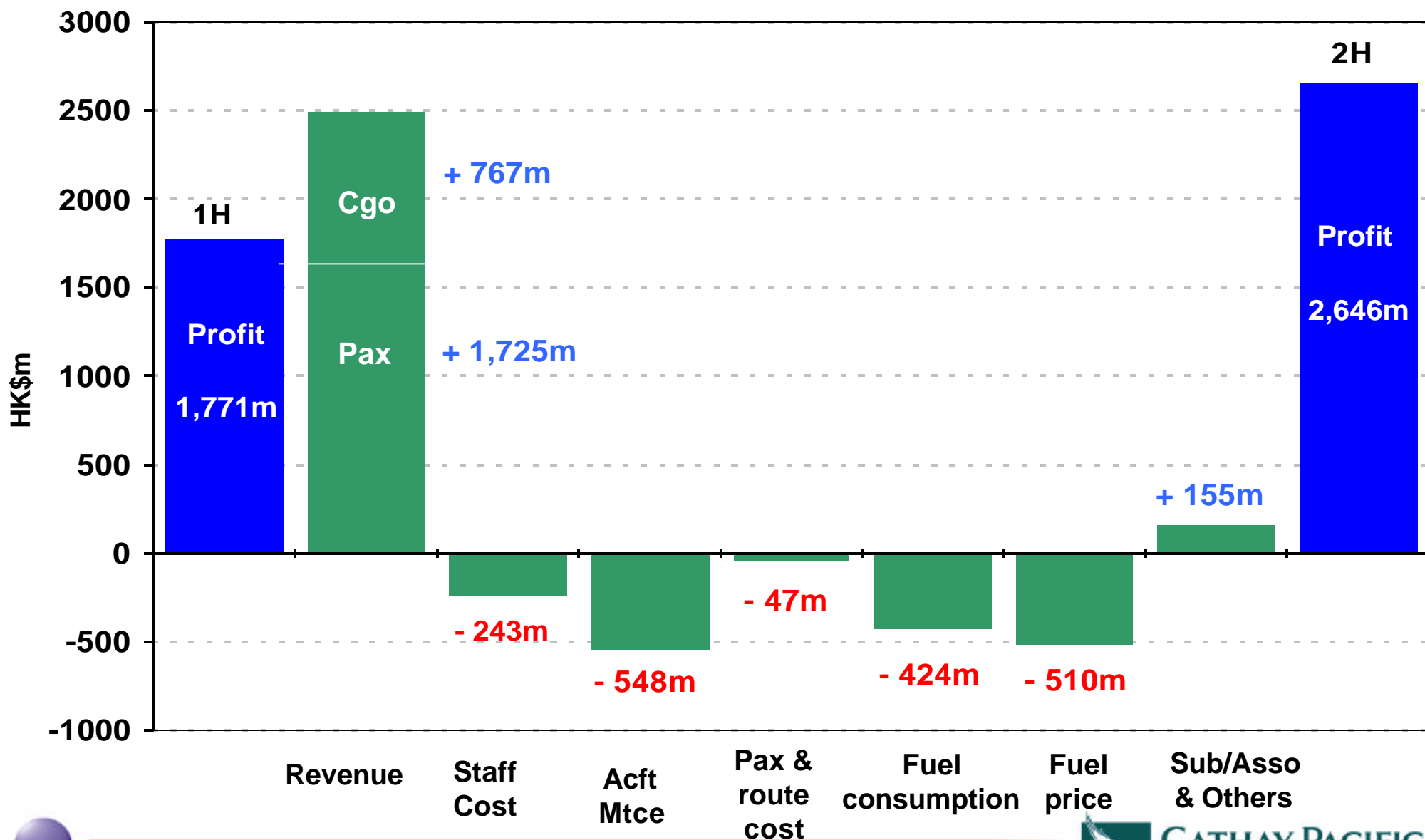
| | <u>FY 2004</u> | <u>vs 2003</u> | <u>vs 2002</u> |
|----------------------------|----------------|----------------|----------------|
| Group Profit | HK\$4,417m | + HK\$3.1b | + HK\$0.4b |
| Group Turnover | HK\$39,065m | + 32.1% | + 18.1% |
| Net Debt/Equity Ratio | 0.34 | - 0.02 times | + 0.04 times |
| Dividend per Share | HK c65 | + 35.4% | +47.7% |
| Available tonne kilometres | 15,794m | + 18.3% | + 23.2% |
| Cost per ATK | HK\$2.07 | + 3.5% | - 2.8% |
| Revenue Load Factor | 74.8% | + 3.7%pts | - 1.1%pts |
| Breakeven Load Factor | 65.5% | - 1.9%pts | - 0.2pts |



Profit Reconciliation : 2003 to 2004



Profit Reconciliation : 2H vs 1H



Passenger Service - Key Numbers

| | <u>FY 2004</u> | <u>vs 2003</u> | <u>vs 2002</u> |
|--------------------------|----------------|----------------|----------------|
| Turnover | HK\$26,407m | + 41.5% | + 18.0% |
| Seat Capacity (ASK) | 74,062m | + 24.9% | + 17.5% |
| Passenger Number | 13.7m | + 35.8% | + 10.9% |
| Yield per Revenue Pax Km | HKc 45.8 | + 5.8% | + 0.9% |
| Load Factor | 77.3% | + 5.1%pts | - 0.5%pts |

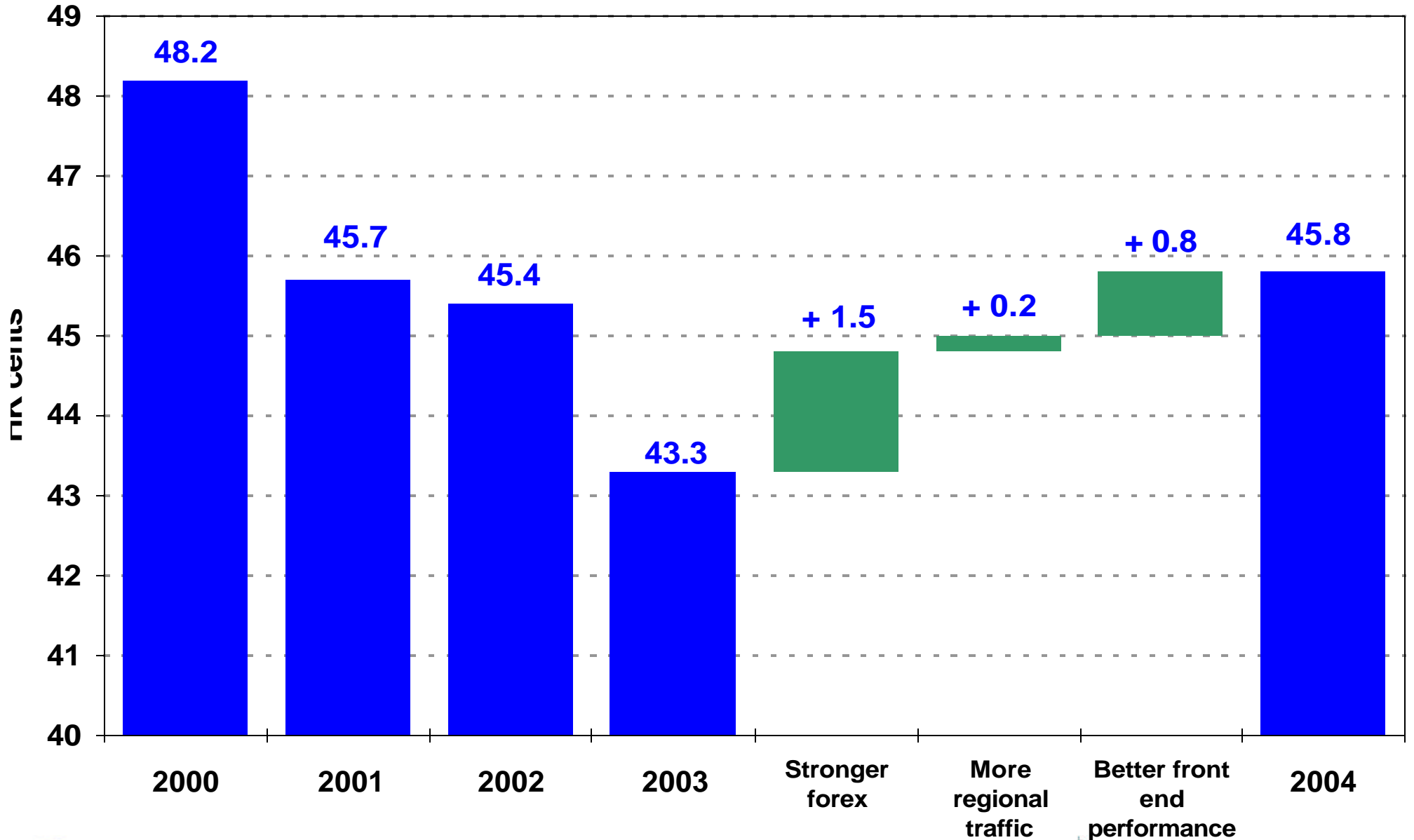


Passenger Service - by Region

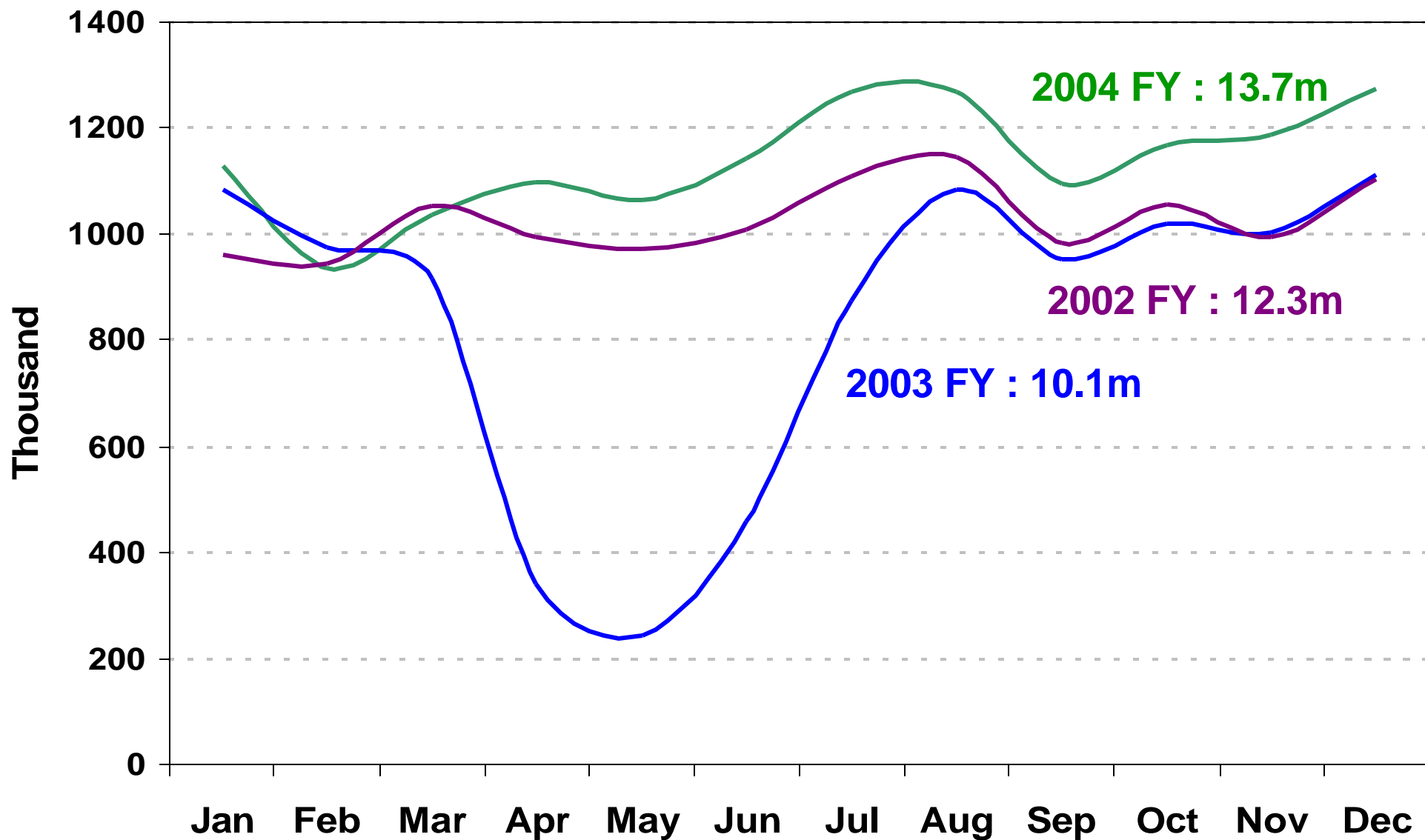
| | ASK | vs 2003 | Load Factor | vs 2003 | Yield Change |
|------------------------|----------------|---------------|--------------|-------------------|--------------|
| North Asia | 12,290m | +30.2% | 67.2% | +5.9% pts | -1.1 % |
| SW Pacific & S. Africa | 12,466m | +23.3% | 72.2% | -0.4% pts | +9.1% |
| Europe | 15,194m | +19.5% | 83.7% | +5.5% pts | +13.1% |
| SE Asia & Middle East | 15,764m | +23.4% | 74.3% | +6.6% pts | -1.7 % |
| North America | 18,348m | +28.8% | 84.9% | +7.3% pts | +9.2% |
| Systemwide | 74,062m | +24.9% | 77.3% | + 5.1% pts | +5.8% |



Passenger Yield



Monthly Passenger Number

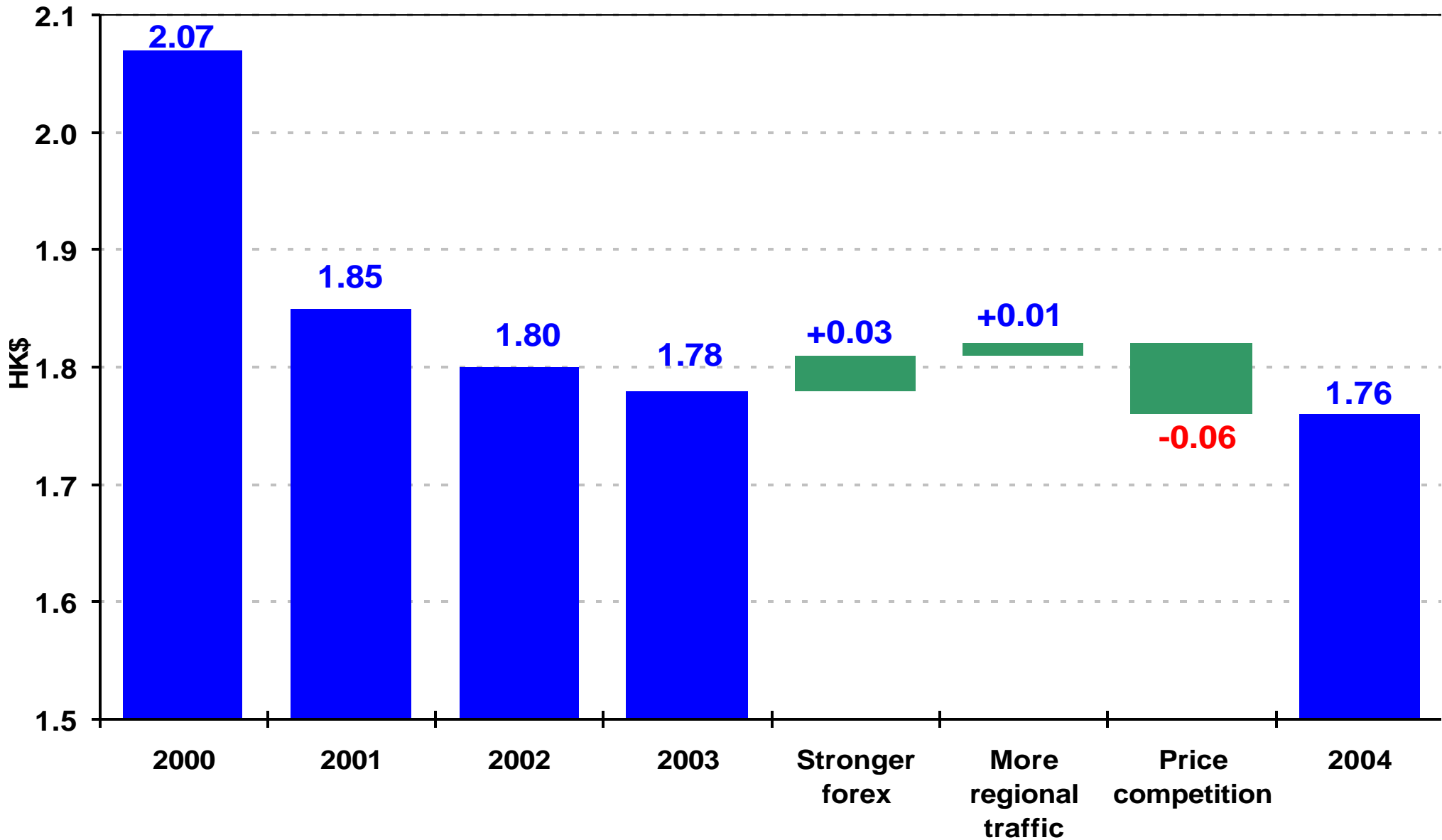


Cargo Service - Key Numbers

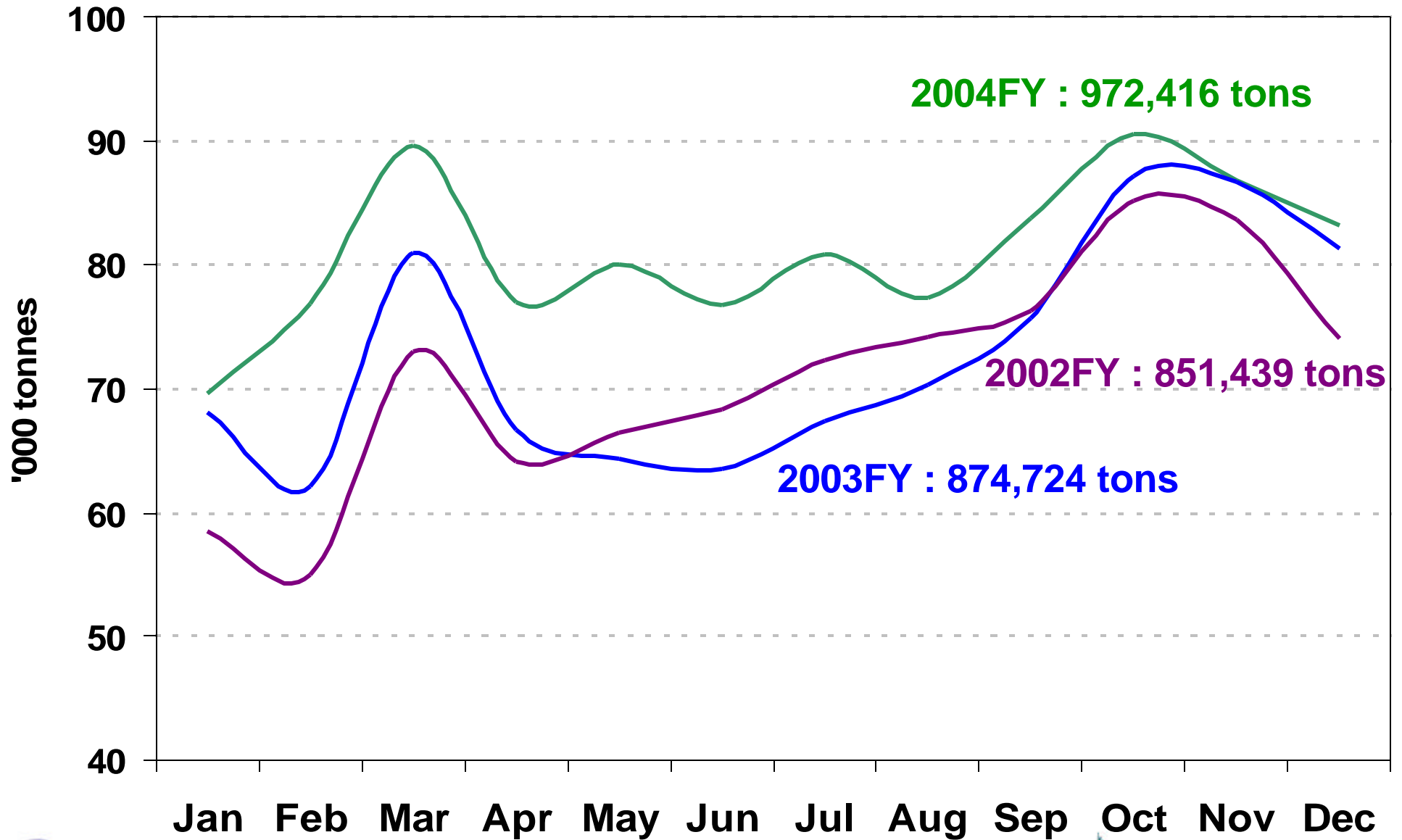
| | <u>FY 2004</u> | <u>vs 2003</u> | <u>vs 2002</u> |
|-------------------------|----------------|----------------|----------------|
| Turnover | HK\$10,549m | + 12.0% | + 20.4% |
| Cargo Capacity (ACTK) | 8,748m | + 13.4% | + 28.2% |
| - on passenger aircraft | 5,010m | + 7.1% | + 36.4% |
| - on freighters | 3,738m | + 23.1% | + 18.7% |
| Cargo Carried | 972k tons | + 11.1% | + 14.2% |
| Load factor | 68.7% | - | - 2.5%pts |
| Yield per tonne km | HK\$1.76 | -1.1% | - 2.2% |



Cargo Yield



Monthly Cargo Carried



Cathay Pacific - Operating Cost

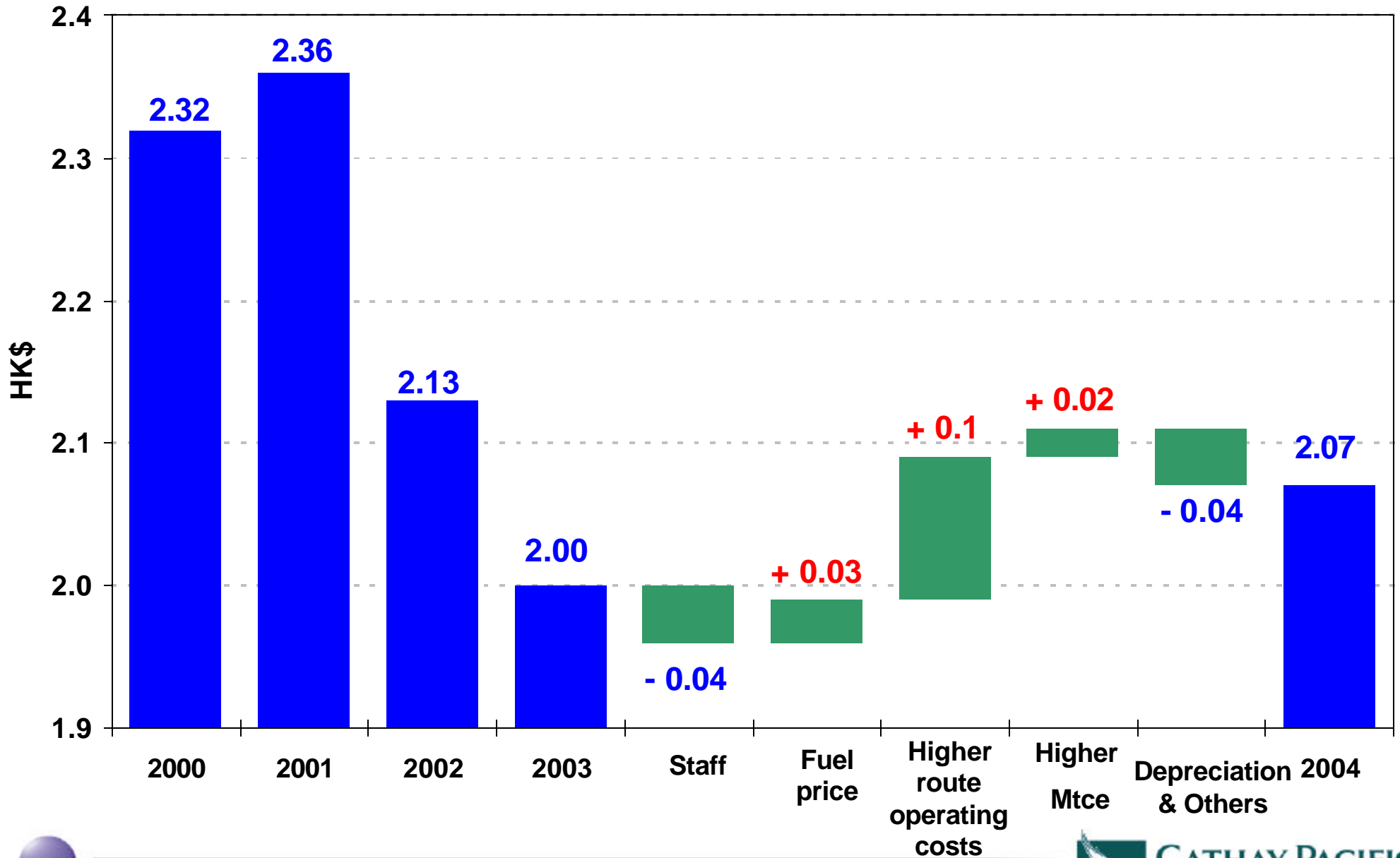
| | <u>FY 2004</u> | <u>2003</u> | <u>vs 2003</u> |
|------------------------------|----------------|---------------|----------------|
| Staff | 7,985 | 7,318 | + 9.1% |
| Inflight service & passenger | 1,566 | 1,223 | + 28.0% |
| Landing, parking & route | 5,209 | 4,106 | + 26.9% |
| Fuel | 7,704 | 5,164 | + 49.2% |
| Aircraft maintenance | 3,768 | 2,853 | + 32.1% |
| Depreciation & lease | 4,801 | 4,580 | + 4.8% |
| Net finance charges | 556 | 606 | - 8.3 % |
| Others | 1,148 | 872 | + 31.7% |
| CX - Operating Cost | 32,737 | 26,722 | + 22.5% |

HK\$m



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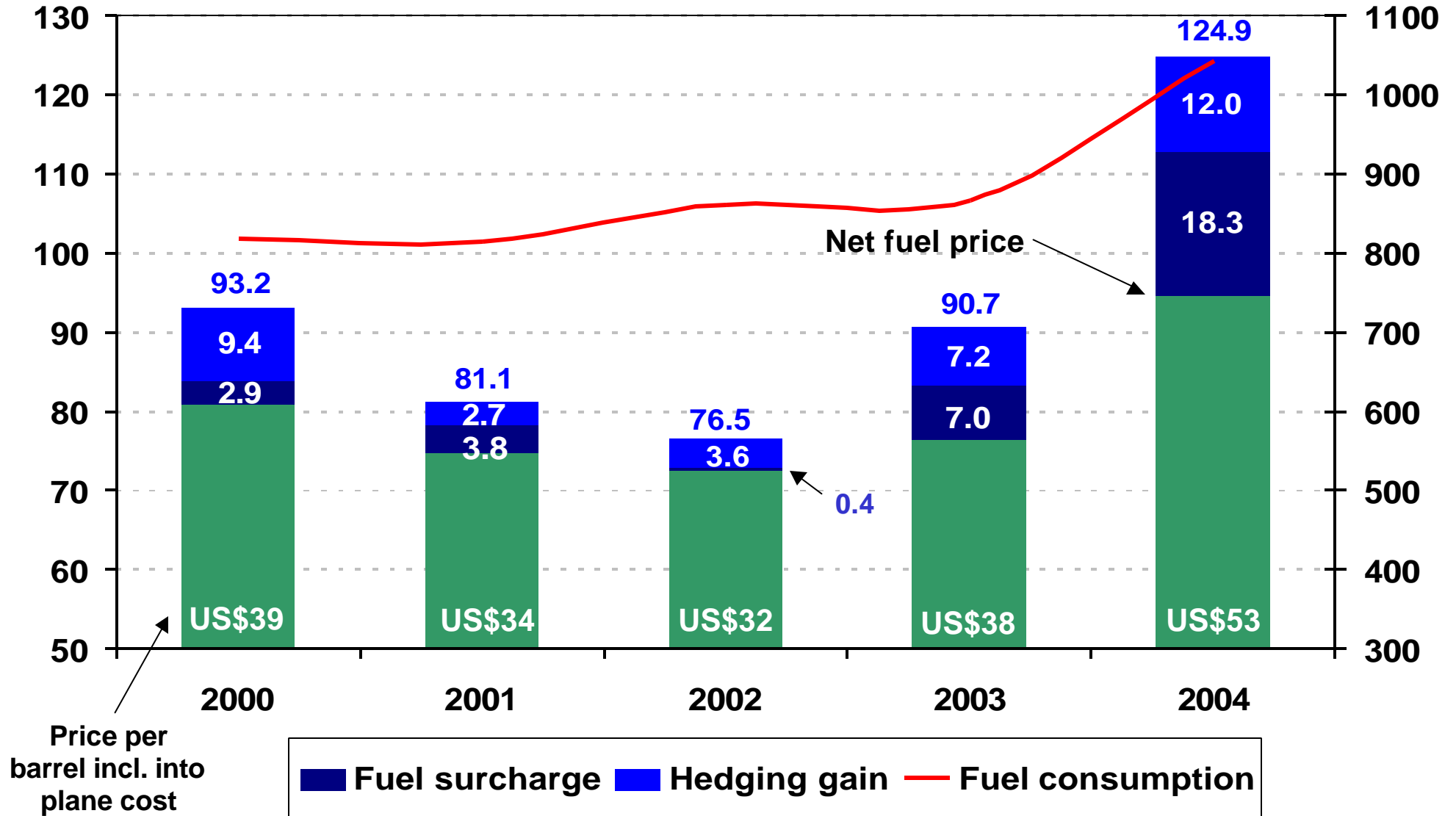
Cost per ATK



Fuel price & consumption

Fuel price - US\$/AG

Consumption - AG'm

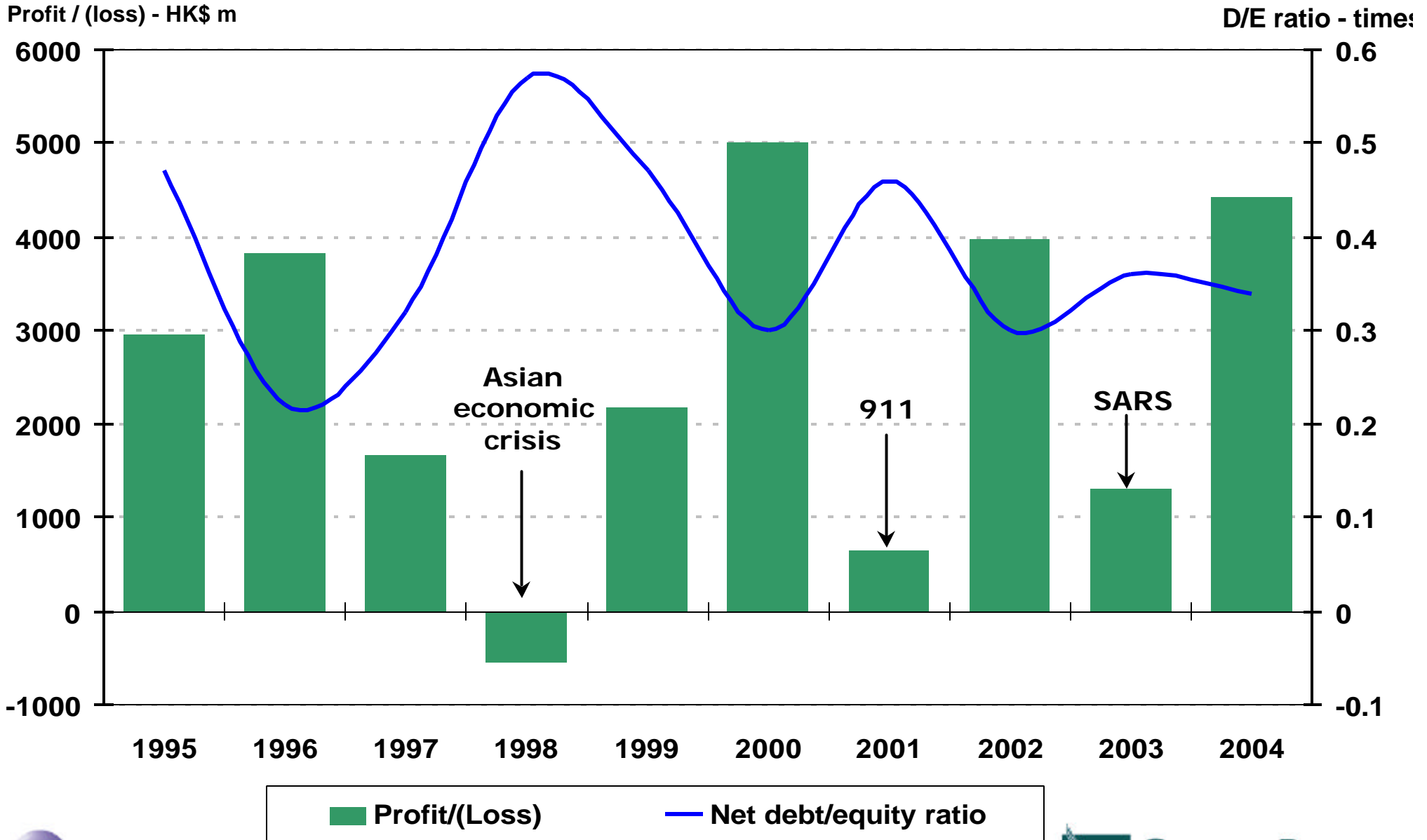


Balance Sheet

| | <u>2004</u> | <u>vs 2003</u> |
|-----------------------|---------------|----------------|
| Shareholders' Funds | HK\$32,855m | 5.8% up |
| Gross Borrowings | HK\$22,631m | 13.9% down |
| Less: | | |
| Liquid Funds | HK\$(11,444m) | 24.6% down |
| Net Borrowings | HK\$11,187m | 0.7% up |
| Capital Employed | HK\$44,042m | 4.5 % up |
| Net Debt/Equity Ratio | 0.34 | - 0.02times |



Profit & Net Debt/Equity Ratio



Liquid Fund Flow

HK\$'b

1999

2000

2001

2002

2003

2004

Net

15

- HK\$0.7b

- HK\$0.6b

- HK\$1.2b

+ HK\$3.4b

+ HK\$2.0b

- HK\$3.7b

Inflow

10

5

0

-5

-10

-15

Outflow

2.4

5.2

-4.0

-5.0

1.6

6.9

-4.3

-4.2

8.0

3.2

-7.3

-4.5

2.5

8.1

-2.8

-4.7

6.8

4.9

-5.1

-5.1

1.7

9.2

-4.1

-6.3

Operating inflow

New financing

Capital expenditure

Loan repayment

Dividend paid

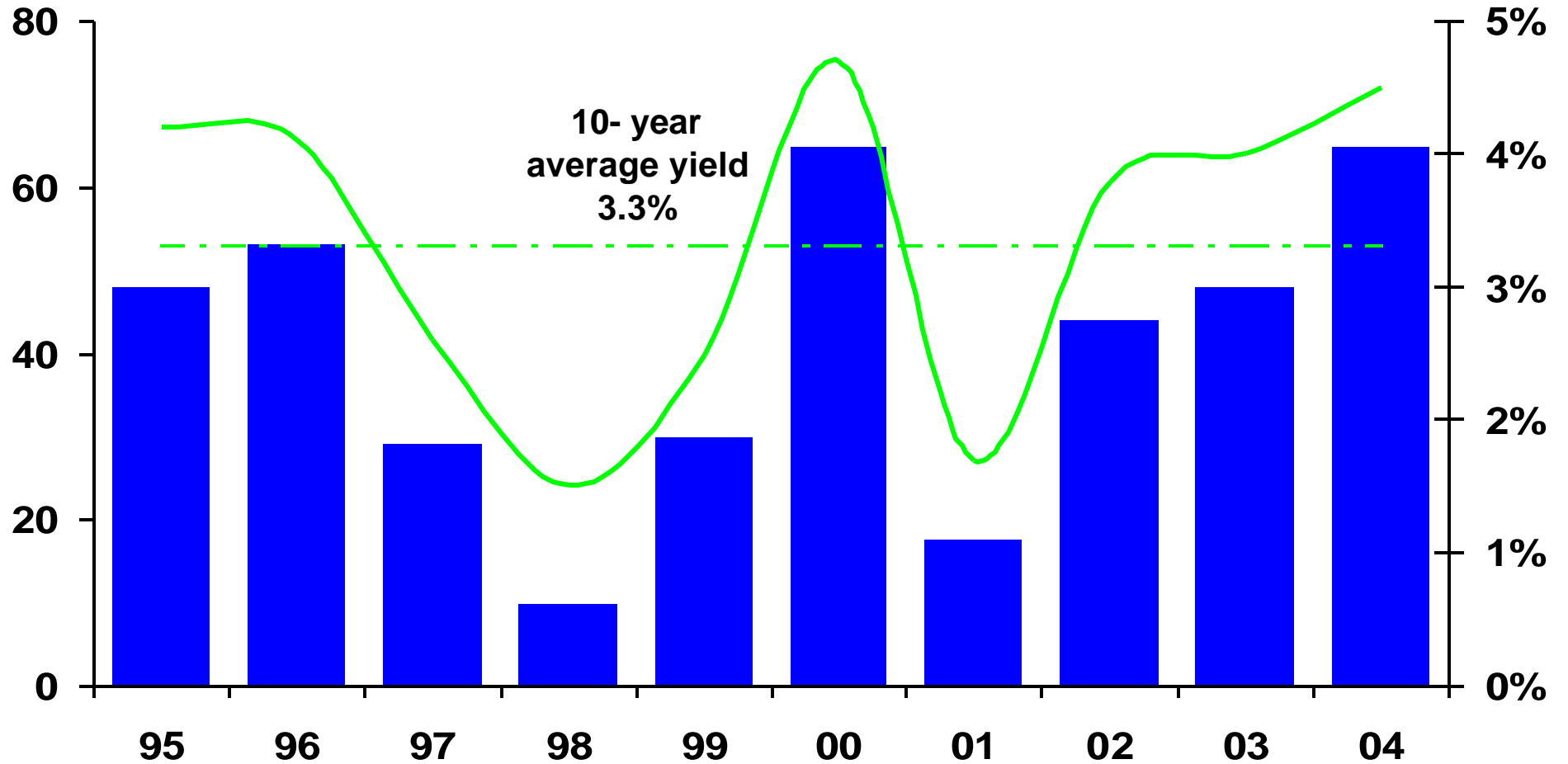
Others



Dividends

Dividend per share (HK cents)

Dividend yield %



■ Dividend per share

— Dividend yield



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Productivity Measures

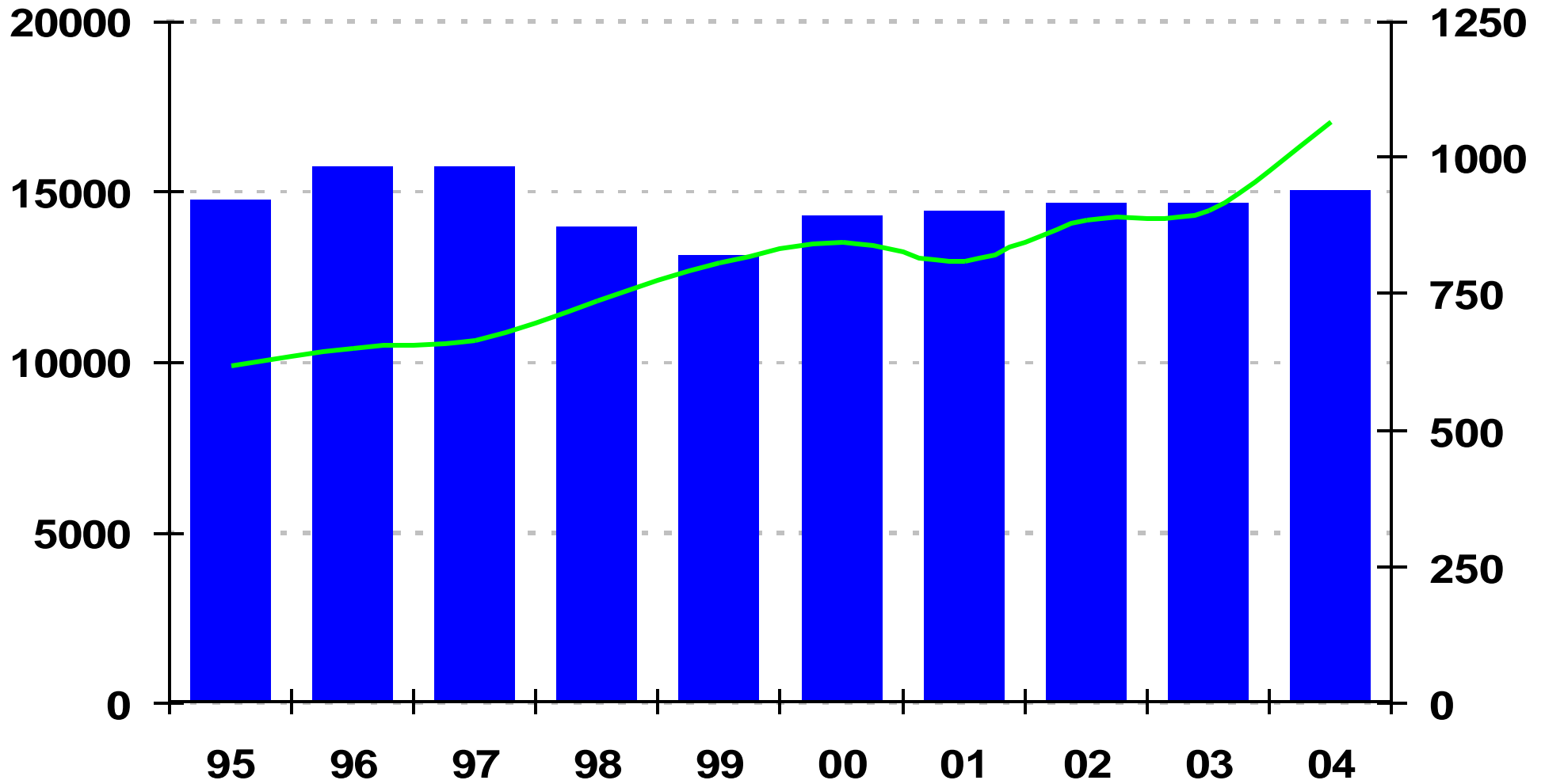
| | <u>2004</u> | <u>vs 2003</u> |
|--------------------------------|-------------|----------------|
| Cost per ATK - with fuel | HK\$2.07 | 3.5% up |
| - without fuel | HK\$1.58 | 1.9% down |
| ATK per HK\$1,000 Staff Cost | 1,981 | 8.5% up |
| Staff Number | 15,054 | 2.6% up |
| Aircraft Utilisation (Hrs/day) | 12.0 | 5.3% up |



ATK per Staff

Staff number

ATK per staf

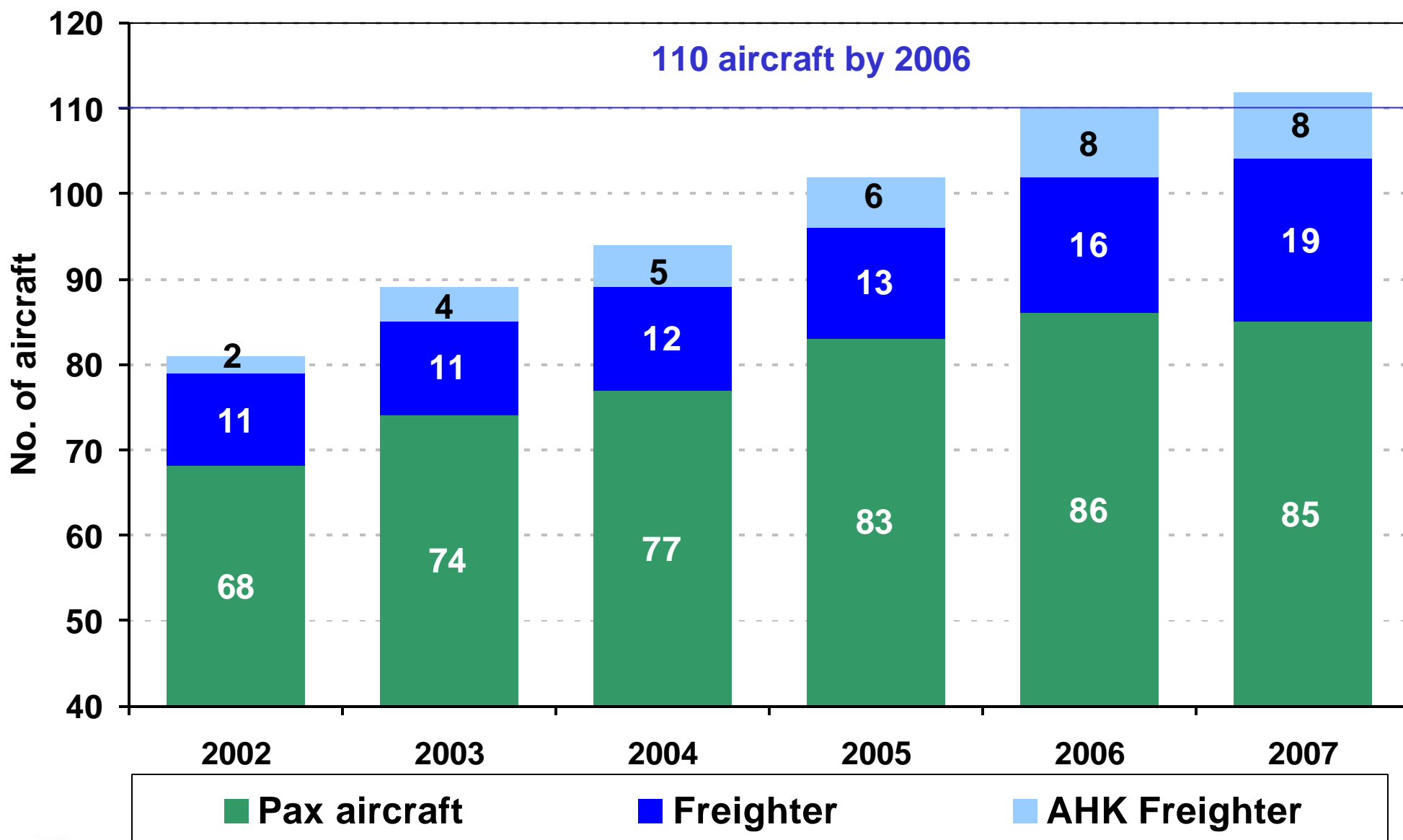


Staff number

ATK per staff



Fleet Expansion (CX & AHK) : 2002 to 2007



Cost per ATK

