

Cathay Pacific Airways

2005 Annual Results



8th March 2006

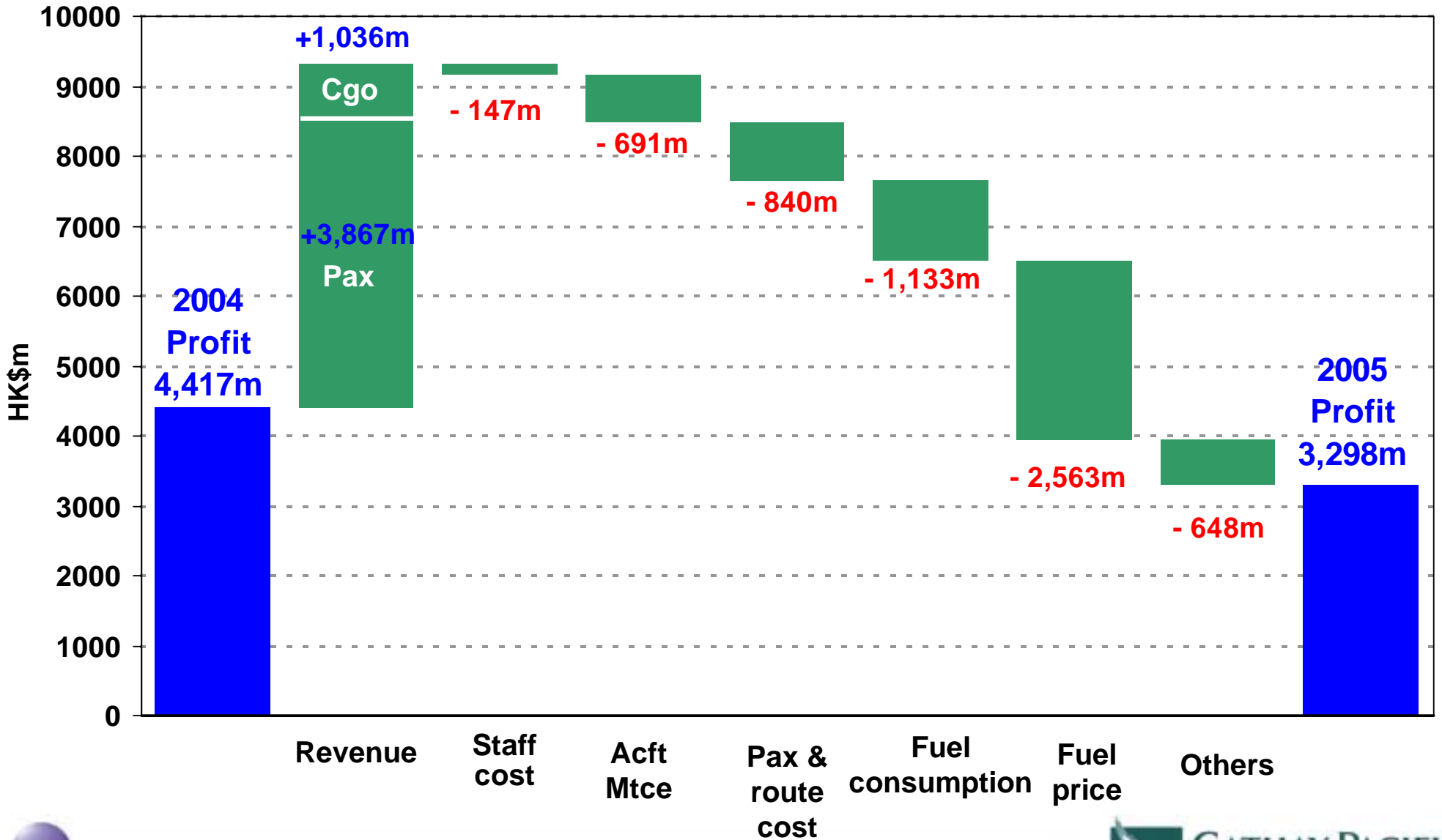
Annual Result Highlights

	<u>FY 2005</u>	<u>vs 2004</u>
Group Profit	HK\$3,298m	- HK\$1.1b
Group Turnover	HK\$50,909m	+ 19.1%
Profit Margin	7.4%	- 3.9%pts
Dividend per Share	HK¢ 48	- 26.2 %
<hr/>		
Available tonne kilometres	17,751 m	+ 12.4%
Cost per ATK	HK\$2.19	+ 5.8%
Cost per ATK (w/o fuel)	HK\$1.55	- 1.9 %
Revenue Load Factor	75.2%	+ 0.4%pts
Breakeven Load Factor	69.3%	+ 3.8%pts

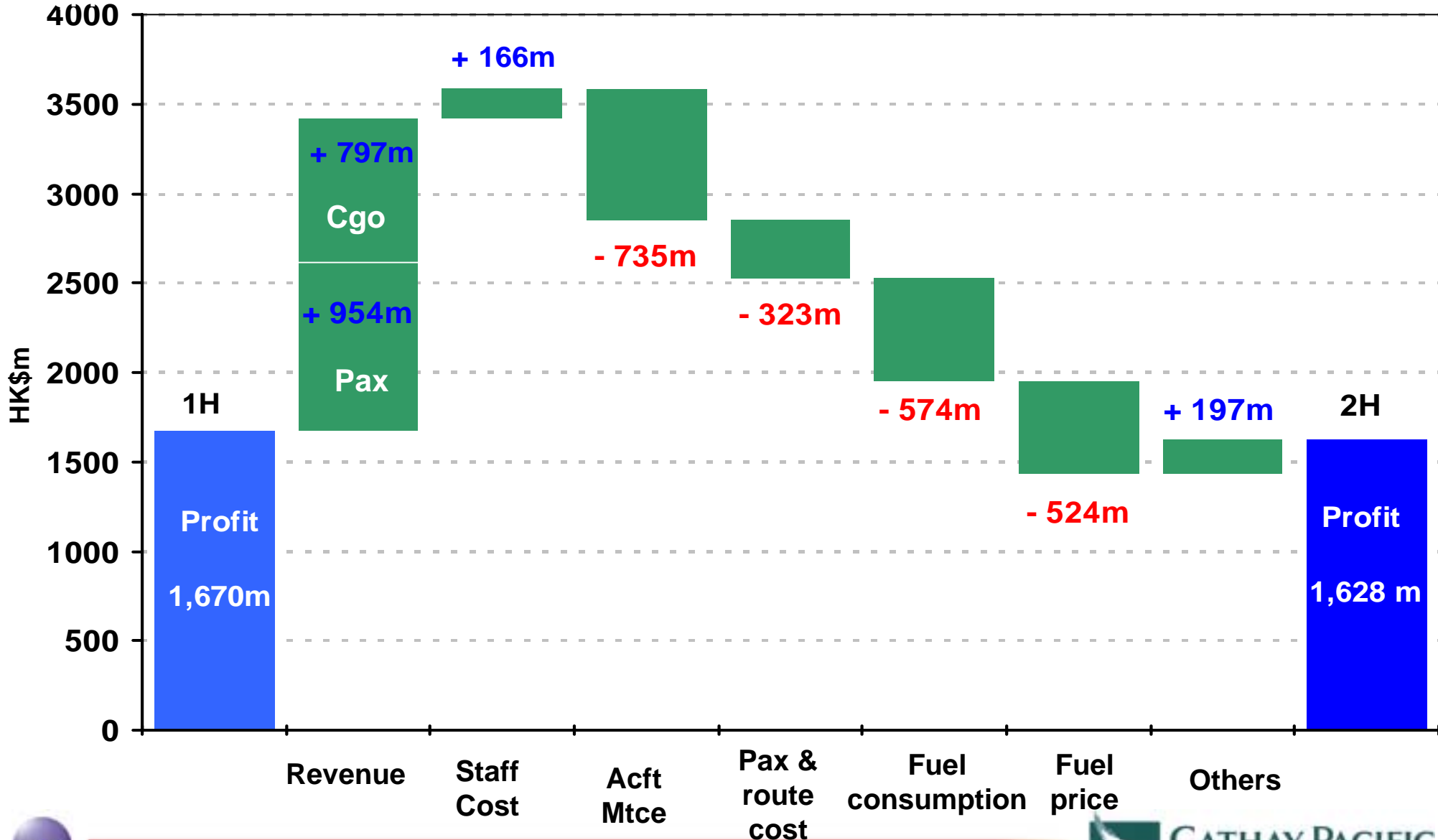


CATHAY PACIFIC

Profit Reconciliation : 2004 to 2005



Profit Reconciliation : 2H vs 1H



Passenger Service - Key Numbers

	<u>FY 2005</u>	<u>vs 2004</u>
Turnover	HK\$30,274m	+ 14.6%
Seat Capacity (ASK)	82,766m	+ 11.8%
Passenger Number	15.4m	+ 13.0%
Yield per Revenue Pax Km	HK¢ 46.3	+ 1.1%
Load Factor	78.7%	+ 1.4% pts



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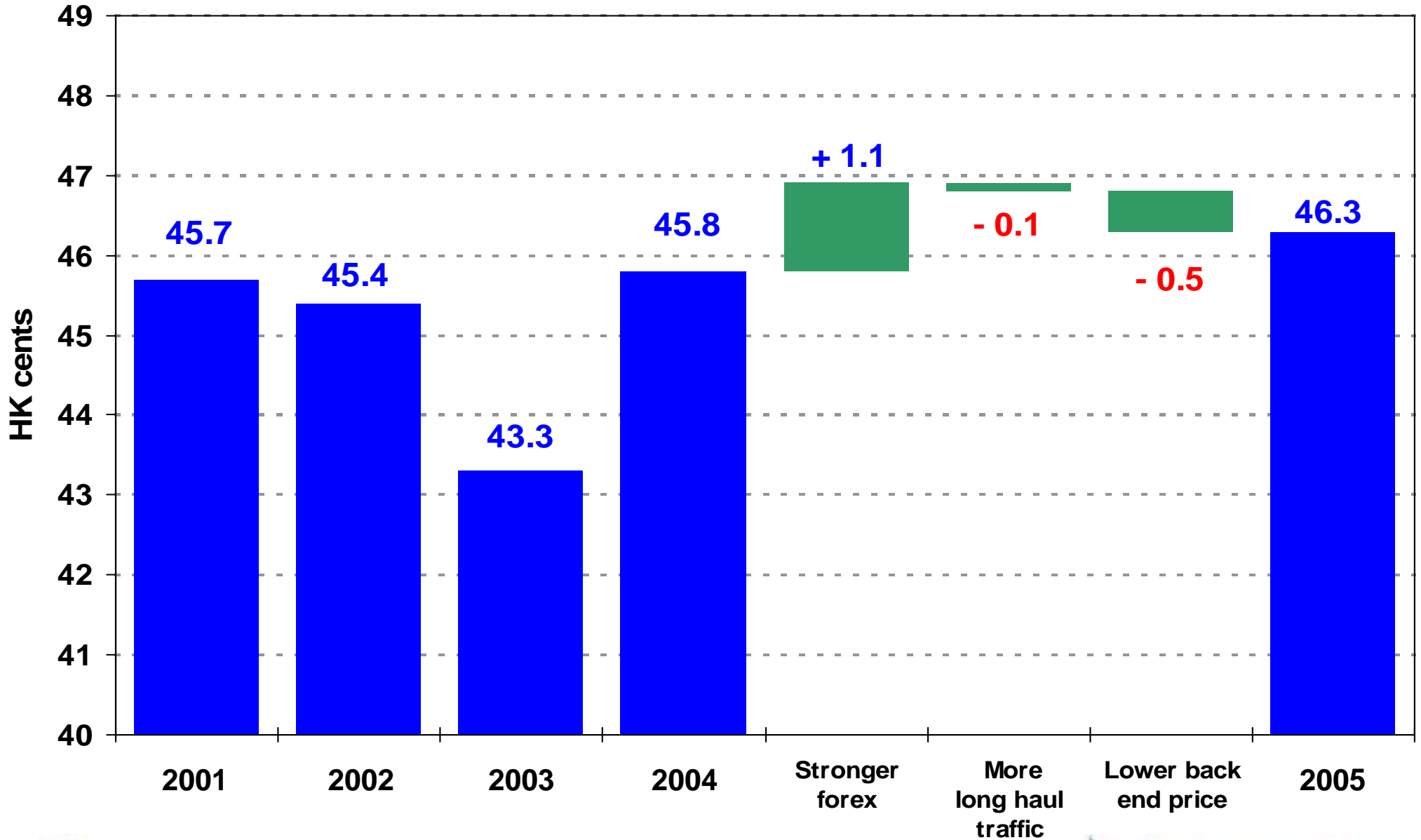
Passenger Service - by Region

	ASK	vs 2004	Load Factor	vs 2004	Yield Change
North Asia	13,057m	+6.2%	70.8%	+3.6% pts	+1.8%
SW Pacific & S. Africa	14,656m	+17.6%	74.6%	+2.4% pts	-3.6%
Europe	16,181m	+6.5%	87.3%	+3.6% pts	-1.2%
SE Asia & Middle East	17,376m	+10.2%	75.0%	+0.7% pts	-1.1%
North America	21,496m	+17.2%	82.7%	-2.2% pts	+8.1%
Systemwide	82,766m	+11.8%	78.7%	+1.4% pts	+1.1%



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Passenger Yield

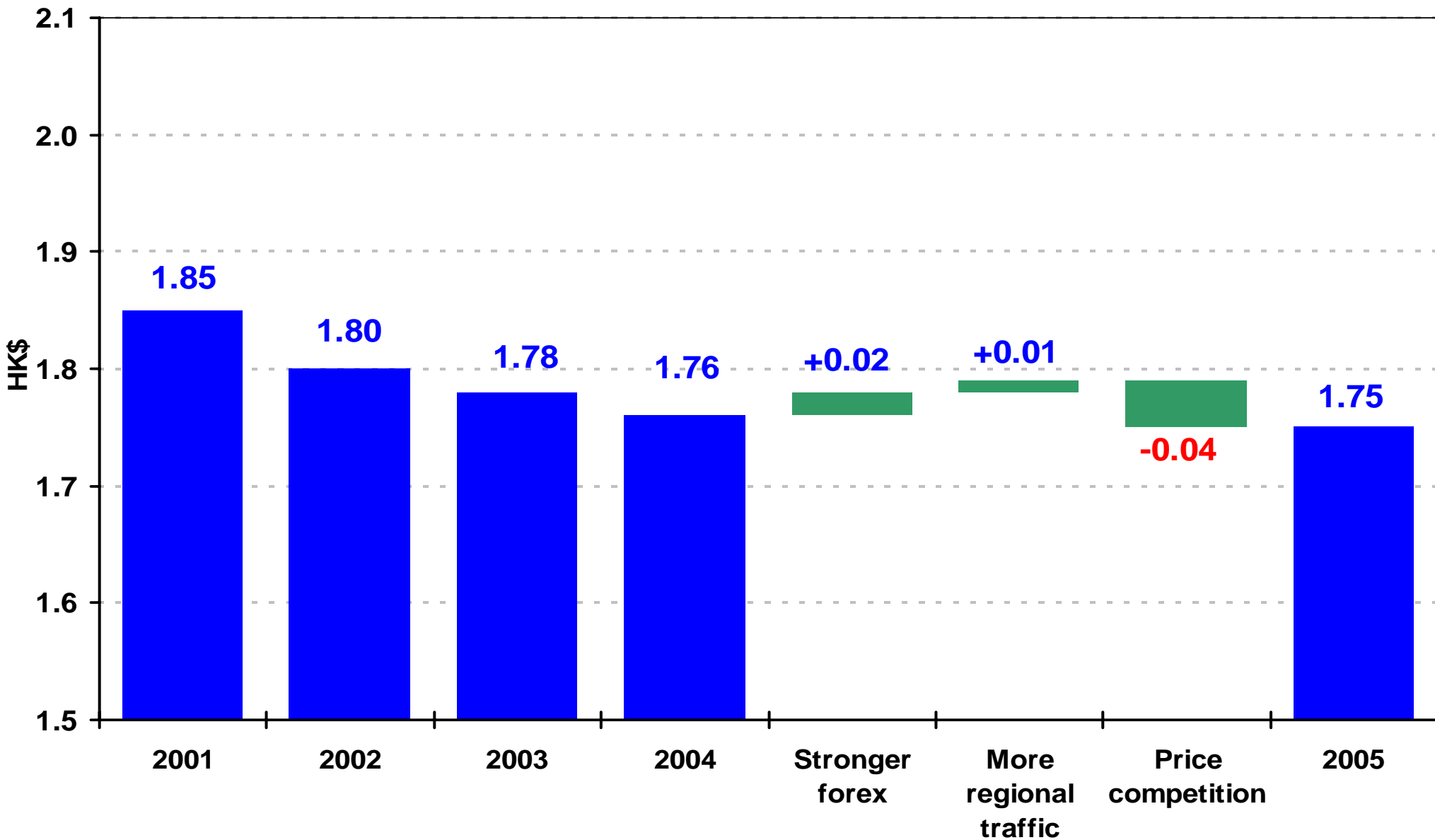


Cargo Service - Key Numbers

	<u>FY 2005</u>	<u>vs 2004</u>
Turnover	HK\$11,585m	+ 9.8%
Cargo Capacity (ACTK)	9,879m	+ 12.9%
- on passenger aircraft	4,156m	+ 11.2%
- on freighters	5,723m	+ 14.2%
Cargo Carried	1,118k tons	+ 15.0%
Yield per tonne km	HK\$1.75	- 0.6 %
Load factor	67.0%	- 1.7% pts



Cargo Yield



Cathay Pacific - Net Operating Cost

	<u>FY 2005</u>	<u>2004</u>	<u>vs 2004</u>
Staff	8,132	7,985	+ 1.8%
Inflight service & passenger	1,783	1,566	+ 13.9%
Landing, parking & route	5,832	5,209	+ 12.0%
Fuel	11,400	7,704	+ 48.0%
Aircraft maintenance	4,459	3,768	+ 18.3%
Depreciation & lease	5,345	4,801	+ 11.3%
Net finance charges	361	556	- 35.1%
Others	1,554	1,148	+ 35.4%
CX - Net Operating Cost <small>HK\$m</small>	38,866	32,737	+ 18.7%

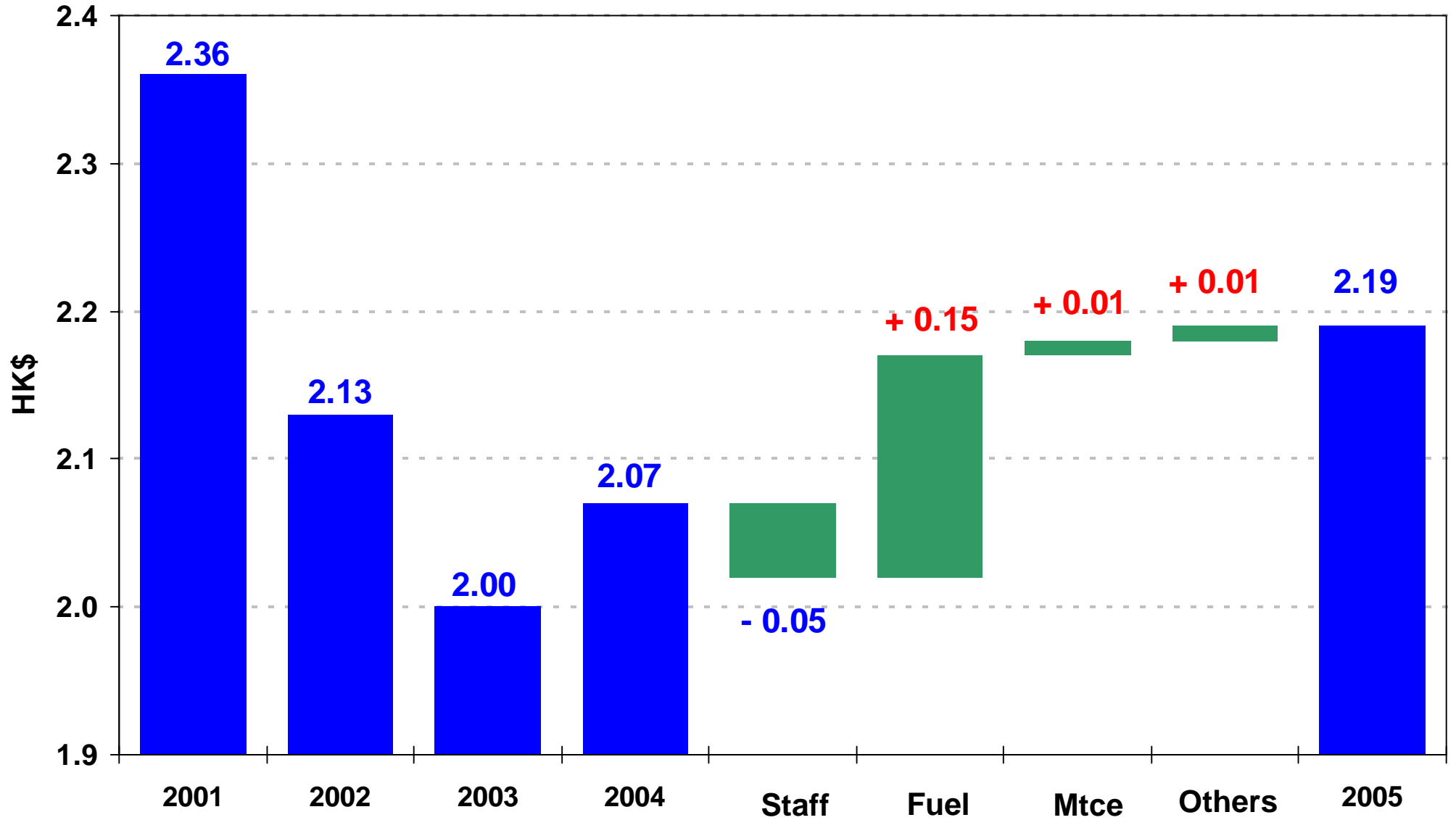


Cathay Pacific - Change in % of Cost

	<u>FY 2005</u>	<u>2004</u>	<u>vs 2004</u>
Staff	20.9%	24.4%	- 3.5% pts
Inflight service & passenger	4.6%	4.8%	- 0.2% pts
Landing, parking & route	15.0%	15.9%	- 0.9% pts
Fuel	29.3%	23.5%	+ 5.8% pts
Aircraft maintenance	11.5%	11.5%	-
Depreciation & lease	13.8%	14.7%	- 0.9% pts
Net finance charges	0.9%	1.7%	- 0.8% pts
Others	4.0%	3.5%	+ 0.5% pts
Total	100%	100%	



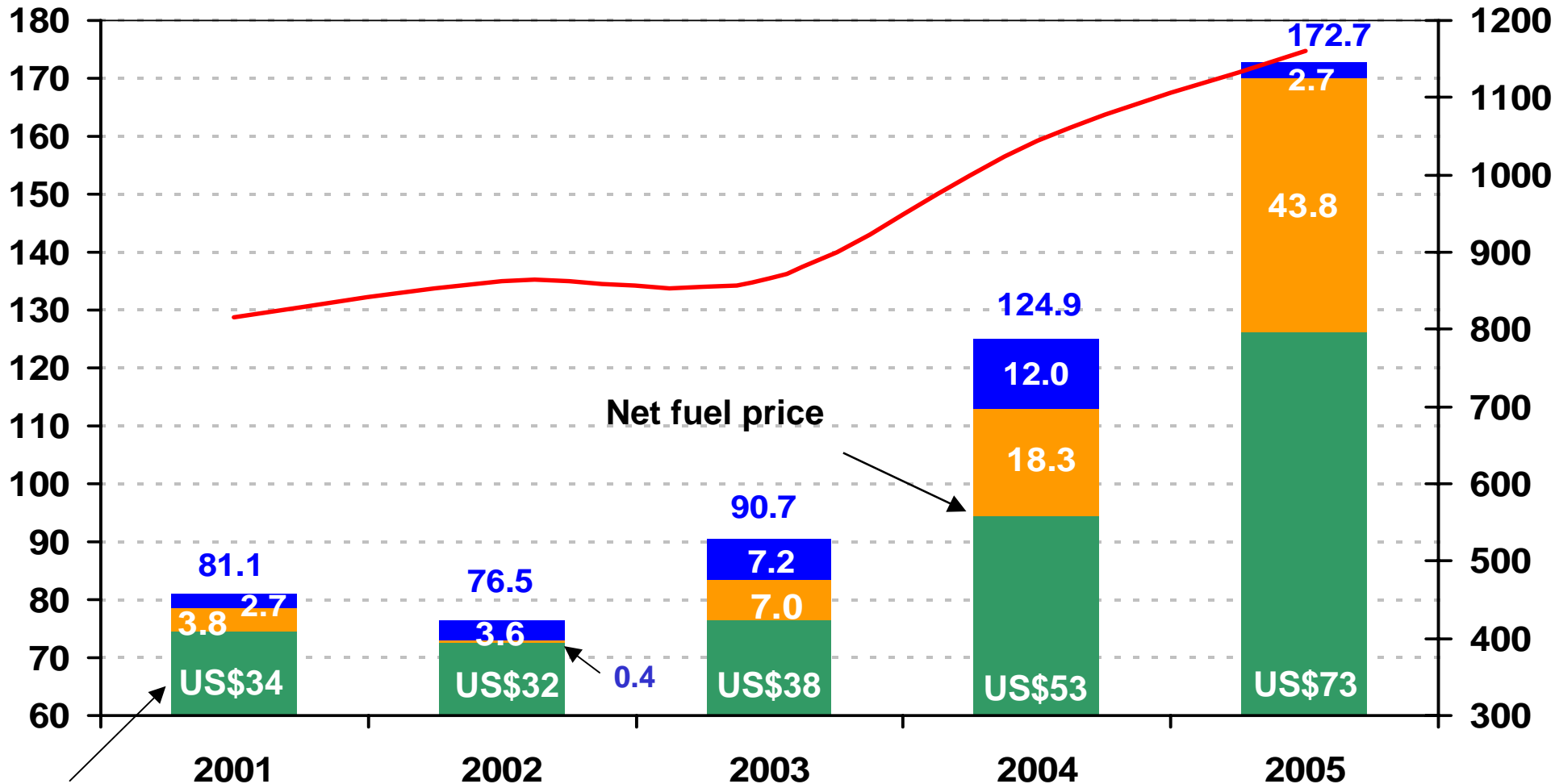
Cost per ATK



Fuel price & consumption

Fuel price - US\$/AG

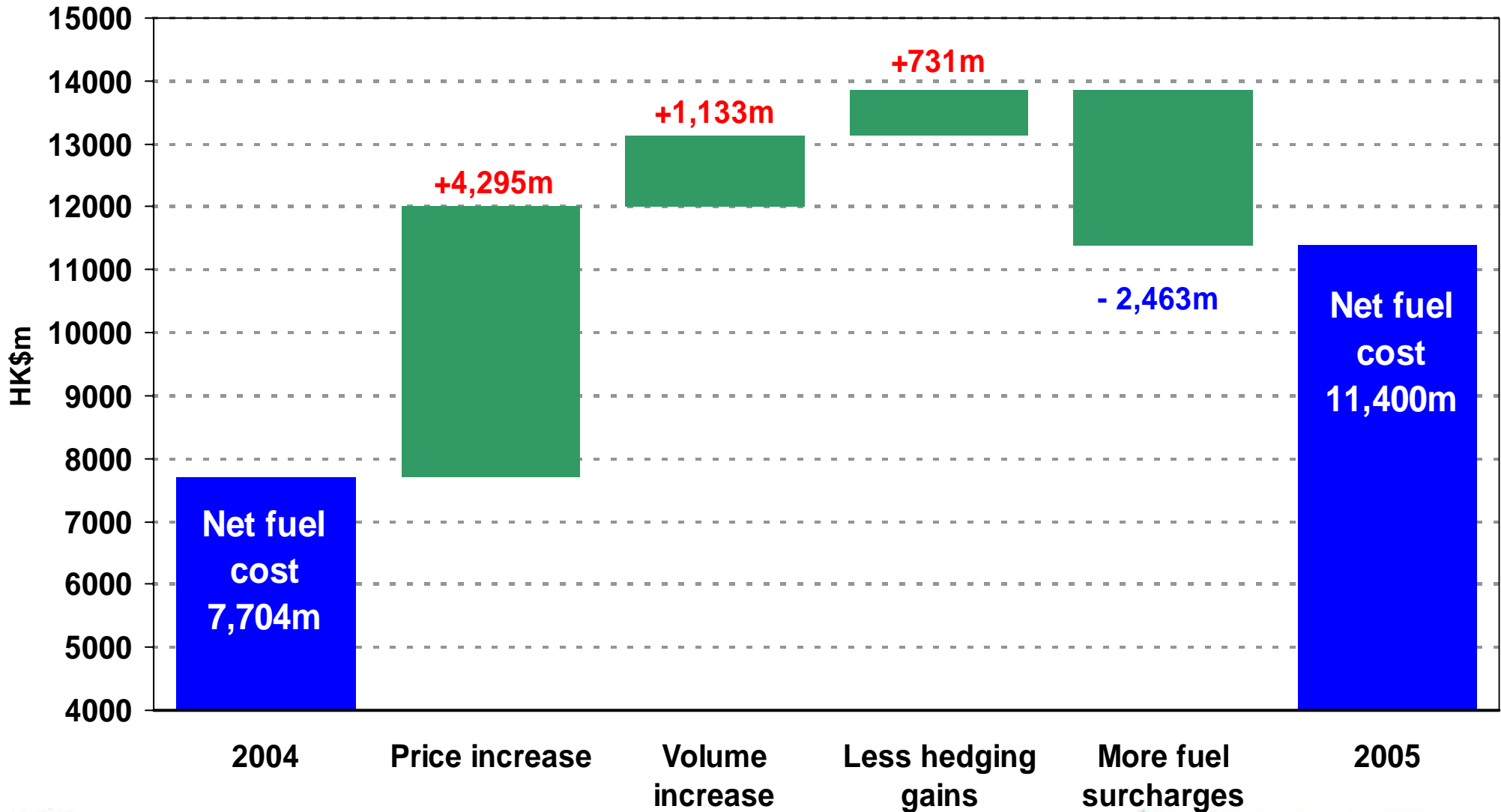
Consumption - AG'm



Price per barrel incl. into plane cost



Impact of higher fuel cost in 2005



Balance Sheet

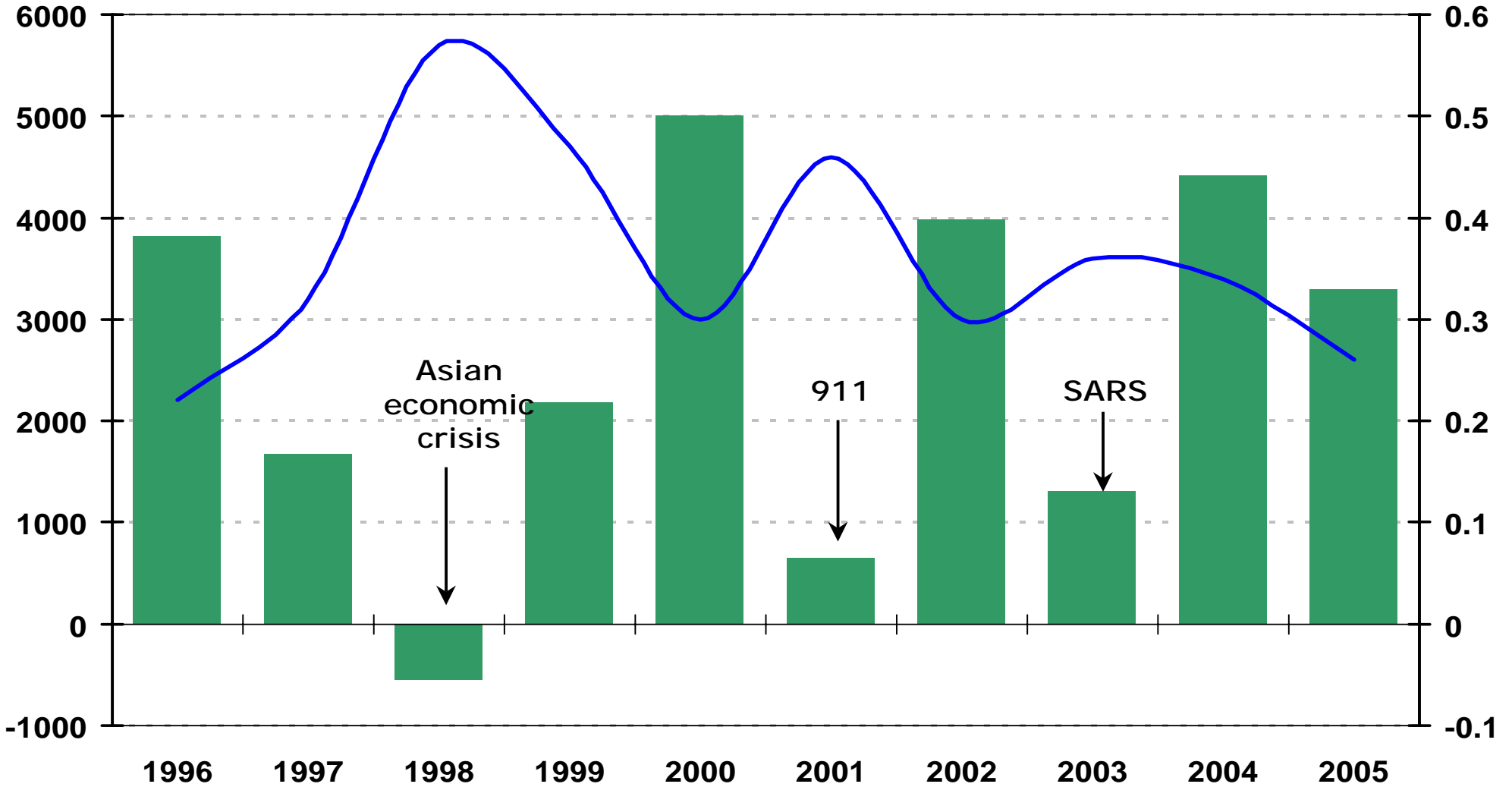
	<u>2005</u>	<u>vs 2004</u>
Shareholders' Funds	HK\$34,968m	6.4% up
Gross Borrowings	HK\$22,455m	0.8% down
Less:		
Liquid Funds	HK\$(13,405m)	17.1% up
Net Borrowings	HK\$9,050m	19.1% down
Capital Employed	HK\$44,018m	0.05% down
Net Debt/Equity Ratio	0.26	- 0.08times



Profit & Net Debt/Equity Ratio

Profit / (loss) - HK\$ m

D/E ratio - times



Profit/(Loss)

Net debt/equity ratio



Liquid Fund Flow

HK\$'b

2000

2001

2002

2003

2004

2005

Net

20

- HK\$0.6b

- HK\$1.2b

+ HK\$3.4b

+ HK\$2.0b

- HK\$3.7b

+ HK\$2.0 b

Inflow

15

10

5

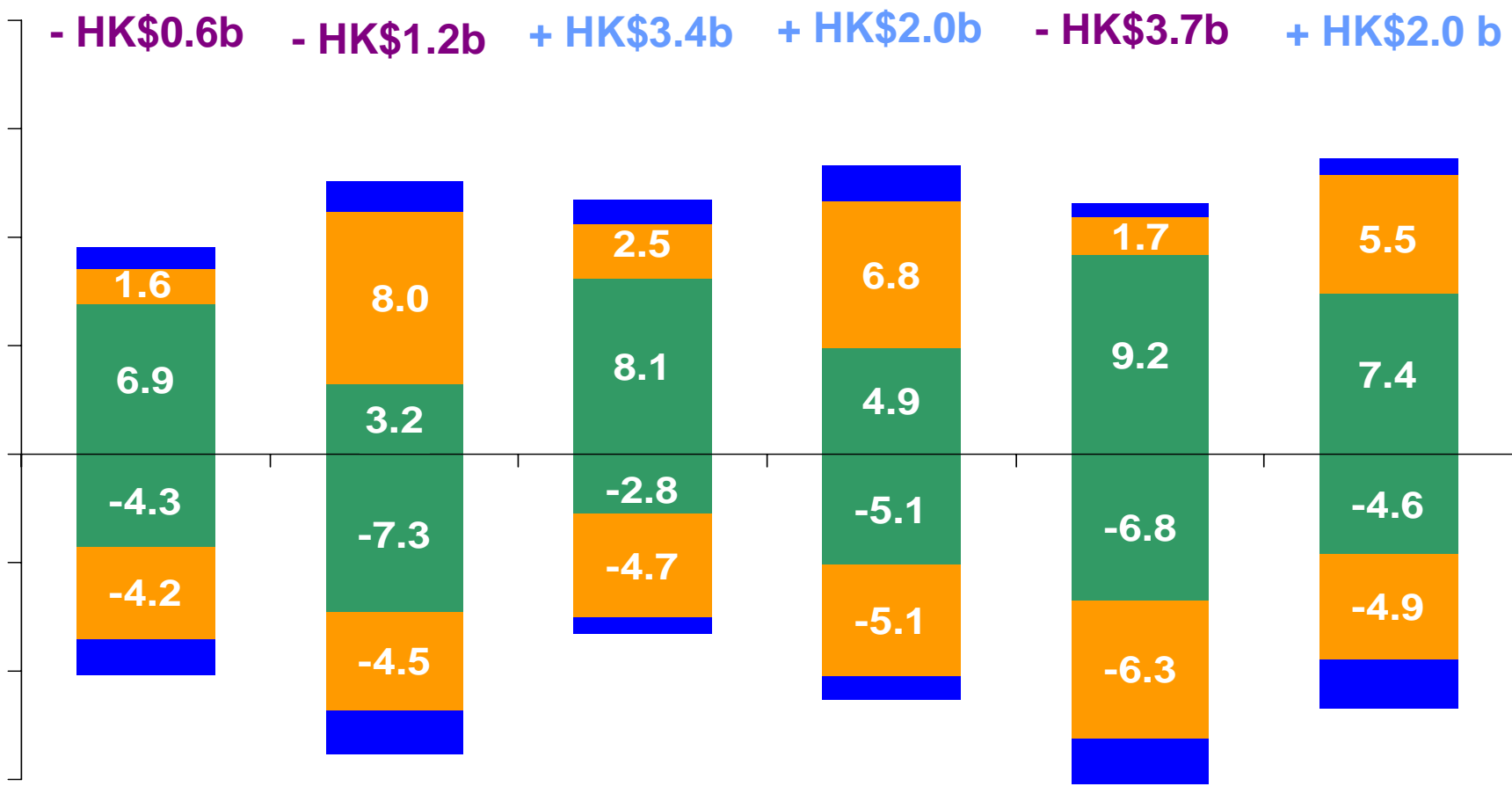
0

-5

-10

-15

Outflow



INFLOW

Operating

New financing

Other inflow

OUTFLOW

Capital expenditure

Loan repayment

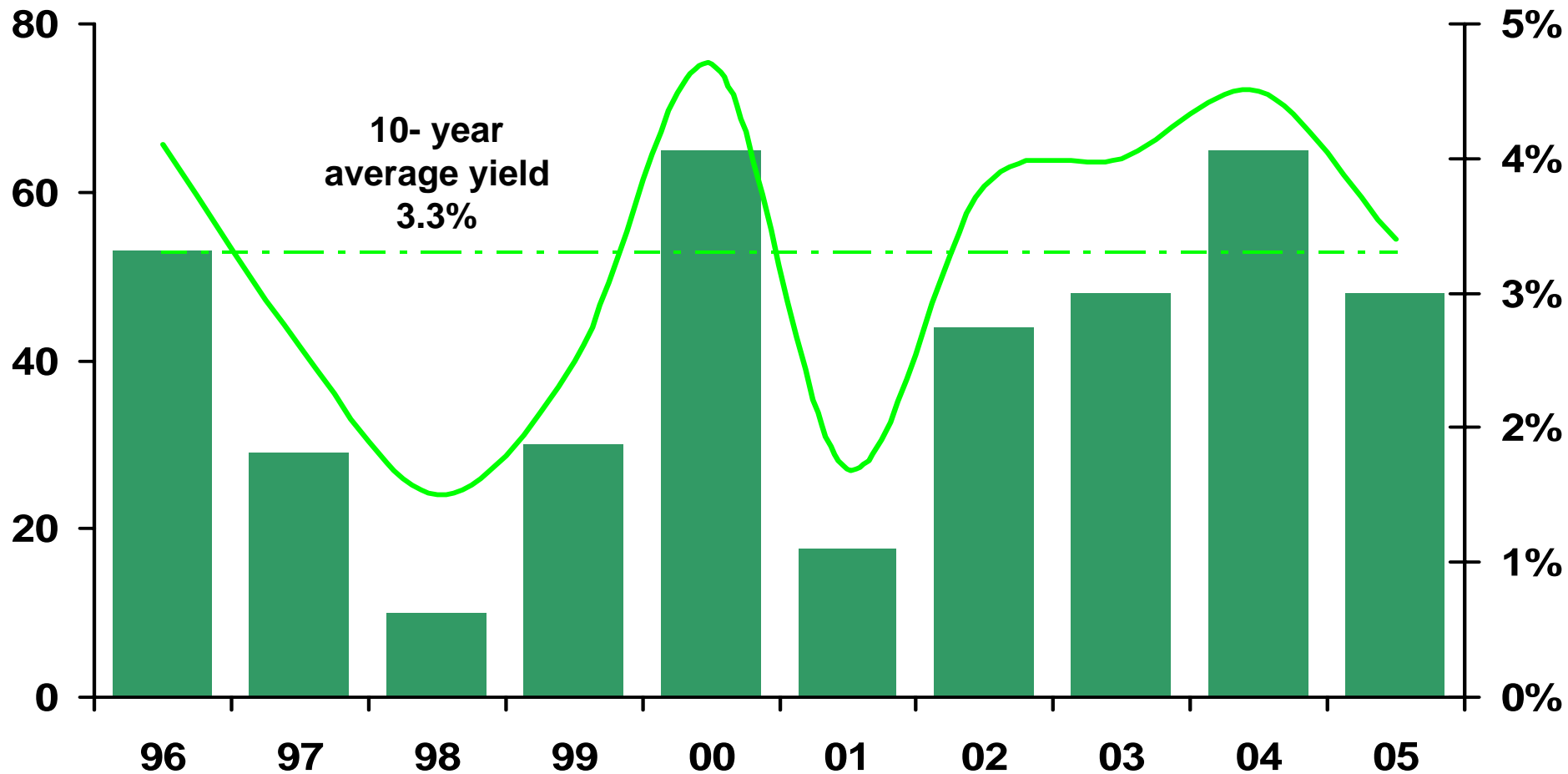
Dividend paid



Dividends

Dividend per share (HK cents)

Dividend yield %



■ Dividend per share

— Dividend yield



Productivity Measures

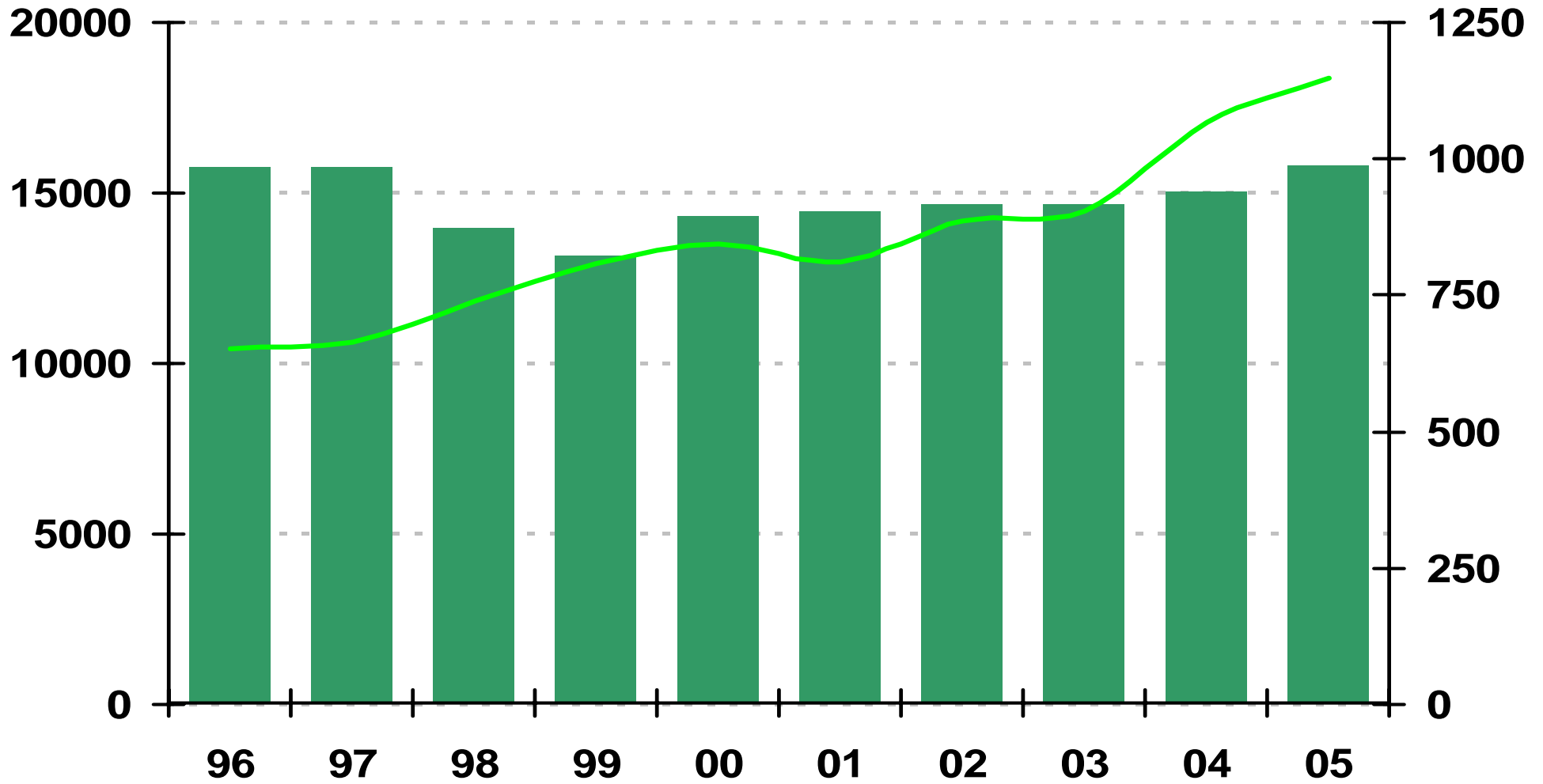
	<u>2005</u>	<u>vs 2004</u>
Cost per ATK - with fuel	HK\$2.19	5.8% up
- without fuel	HK\$1.55	1.9% down
ATK per HK\$1,000 Staff Cost	2,183	10.4% up
Staff Number	15,806	5.0% up
Aircraft Utilisation (Hrs/day)	12.6	5.0% up



ATK per Staff

Staff number

ATK per staff



Cost per ATK

