

# *Cathay Pacific Airways*

## *2005 Interim Results*



*10th August 2005*

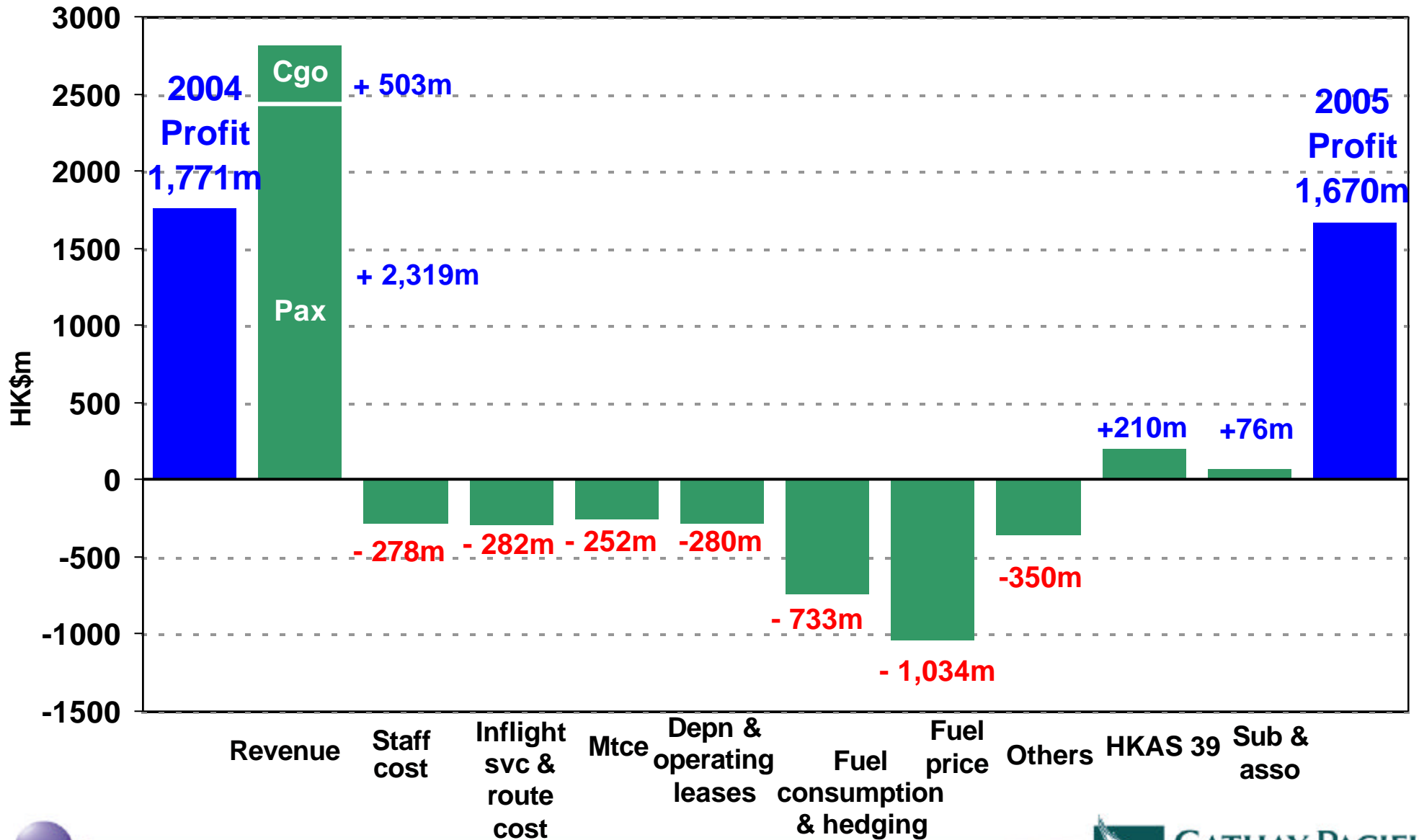
# Interim Result Highlights

	<u>1H 2005</u>	<u>vs 2004</u>
<b>Group Profit</b>	<b>HK\$1,670m</b>	<b>- HK\$0.1b</b>
<b>Group Turnover</b>	<b>HK\$23,884m</b>	<b>+ 21.5%</b>
<b>Net Debt/Equity Ratio</b>	<b>0.33</b>	<b>- 0.01 times</b>
<b>Dividend per Share</b>	<b>HK 20.0c</b>	<b>-</b>
<b>Available tonne kilometres</b>	<b>8,446m</b>	<b>+ 12.7%</b>
<b>Cost per ATK</b>	<b>HK\$2.19</b>	<b>+ 5.8%</b>
<b>Cost per ATK (w/o fuel)</b>	<b>HK\$1.58</b>	<b>- 2.5 %</b>
<b>Revenue Load Factor</b>	<b>74.5%</b>	<b>+ 0.5%pts</b>
<b>Breakeven Load Factor</b>	<b>68.0%</b>	<b>+ 1.9%pts</b>

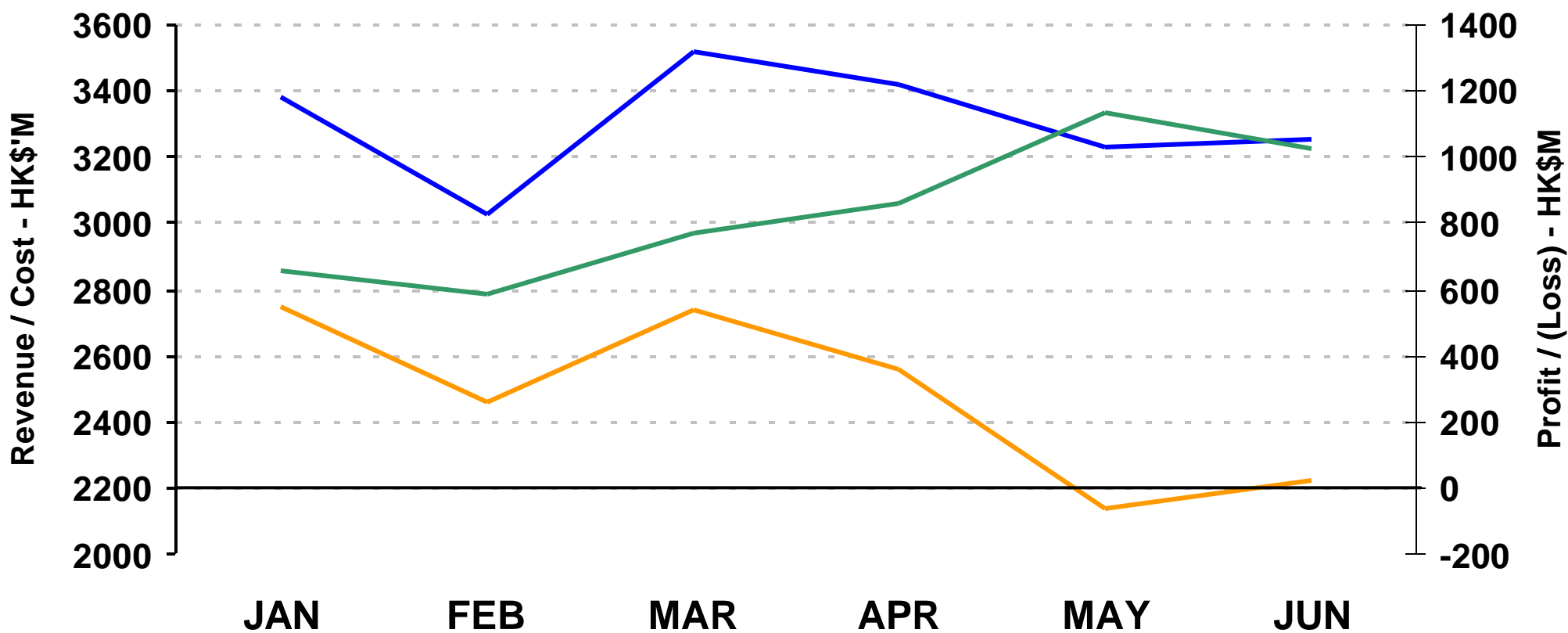


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# Interim Profit Reconciliation : 2004 to 2005



# Revenue, Cost, Profit/(Loss) - 1st half



— Revenue      — Cost      — Profit/(Loss)

Fuel price (Usc/AG)	133.1	136.1	145.3	172.1	182.3	163.9
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# Impact of new accounting standards

(HK\$'m)

**HKAS 39 Financial Instruments**  
 - Derivative financial instruments  
 now recognised at fair value

**HKFRS 3 Business Combinations**  
 - No goodwill amortisation

**HKAS 17 Leases**  
 - Leasehold land now under  
 operating lease

	<u>Balance Sheet</u>		<u>Profit</u>
+ Long-term liabilities	150m		+ 210m
+ Trade & other receivables	894m		
+ Trade & other payables	425m		
+ Reserve	294m		
+ Intangible asset	9m		+ 9m
- Fixed asset	1,530m		N / A
+ Other long-term receivables & investments and Trade & other receivables	1,530m		



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## ***Passenger Service - Key Numbers***

	<u>1H 2005</u>	<u>vs 2004</u>
<b>Turnover</b>	<b>HK\$14,660m</b>	<b>+ 18.8%</b>
<b>Seat Capacity (ASK)</b>	<b>39,535m</b>	<b>+ 12.2%</b>
<b>Passenger Number</b>	<b>7.333m</b>	<b>+ 14.5%</b>
<b>Yield per Revenue Pax Km</b>	<b>HK47.2c</b>	<b>+ 3.3%</b>
<b>Load Factor</b>	<b>78.1%</b>	<b>+ 2.0%pts</b>



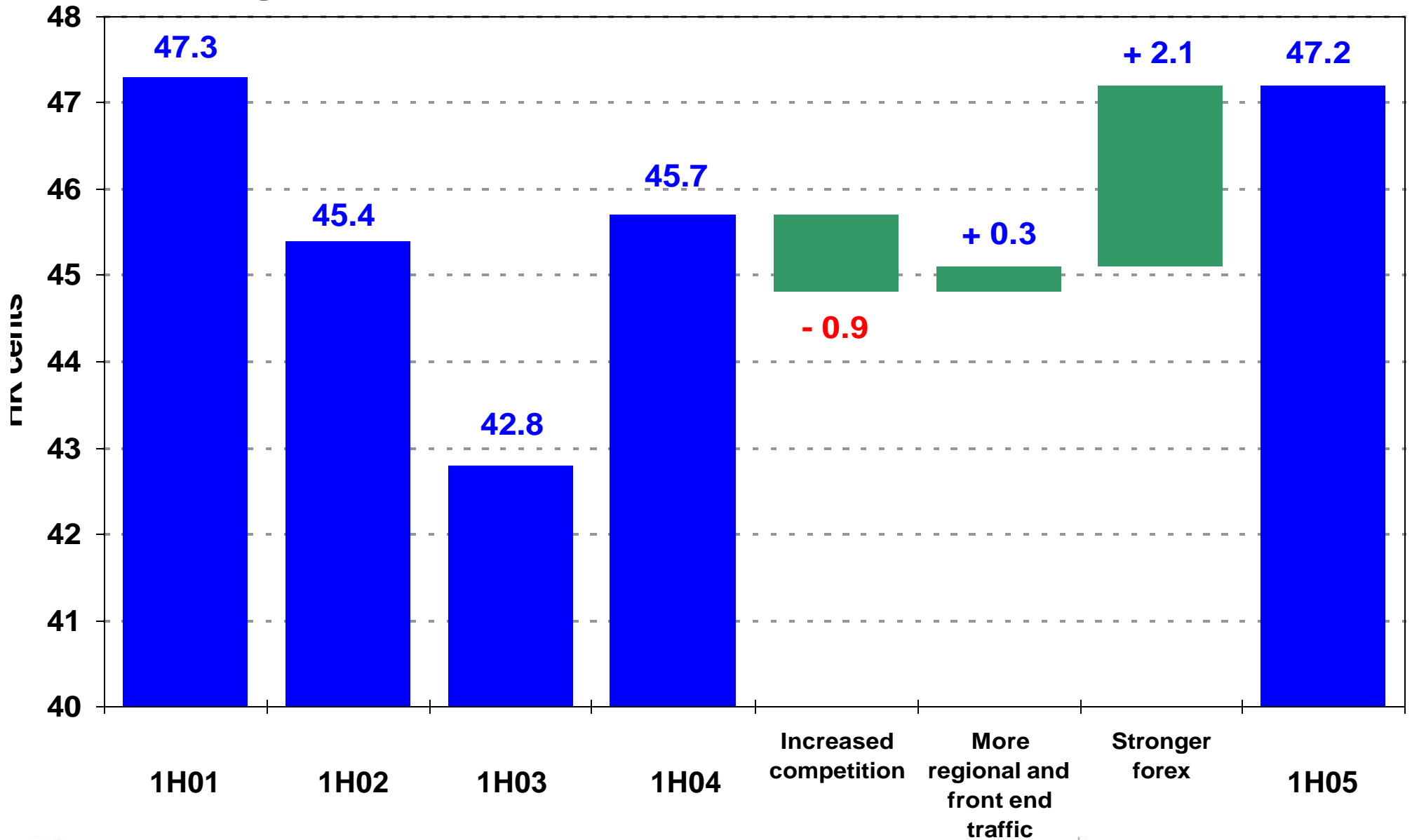
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# Passenger Service - by Region

	ASK	vs 2004	Load Factor	vs 2004	Yield Change
North Asia	6,365m	+5.8%	69.6%	+8.1% pts	+2.8 %
SW Pacific & S. Africa	7,310m	+24.2%	72.6%	+0.5% pts	- 2.9%
Europe	7,593m	+1.4%	87.3%	+6.2% pts	+1.6%
SE Asia & Middle East	8,352m	+9.6%	72.6%	+0.3% pts	- 0.8%
North America	9,915m	+20.3%	85.2%	-3.5% pts	+13.2%
<b>Systemwide</b>	<b>39,535m</b>	<b>+12.2%</b>	<b>78.1%</b>	<b>+ 2.0% pts</b>	<b>+3.3%</b>

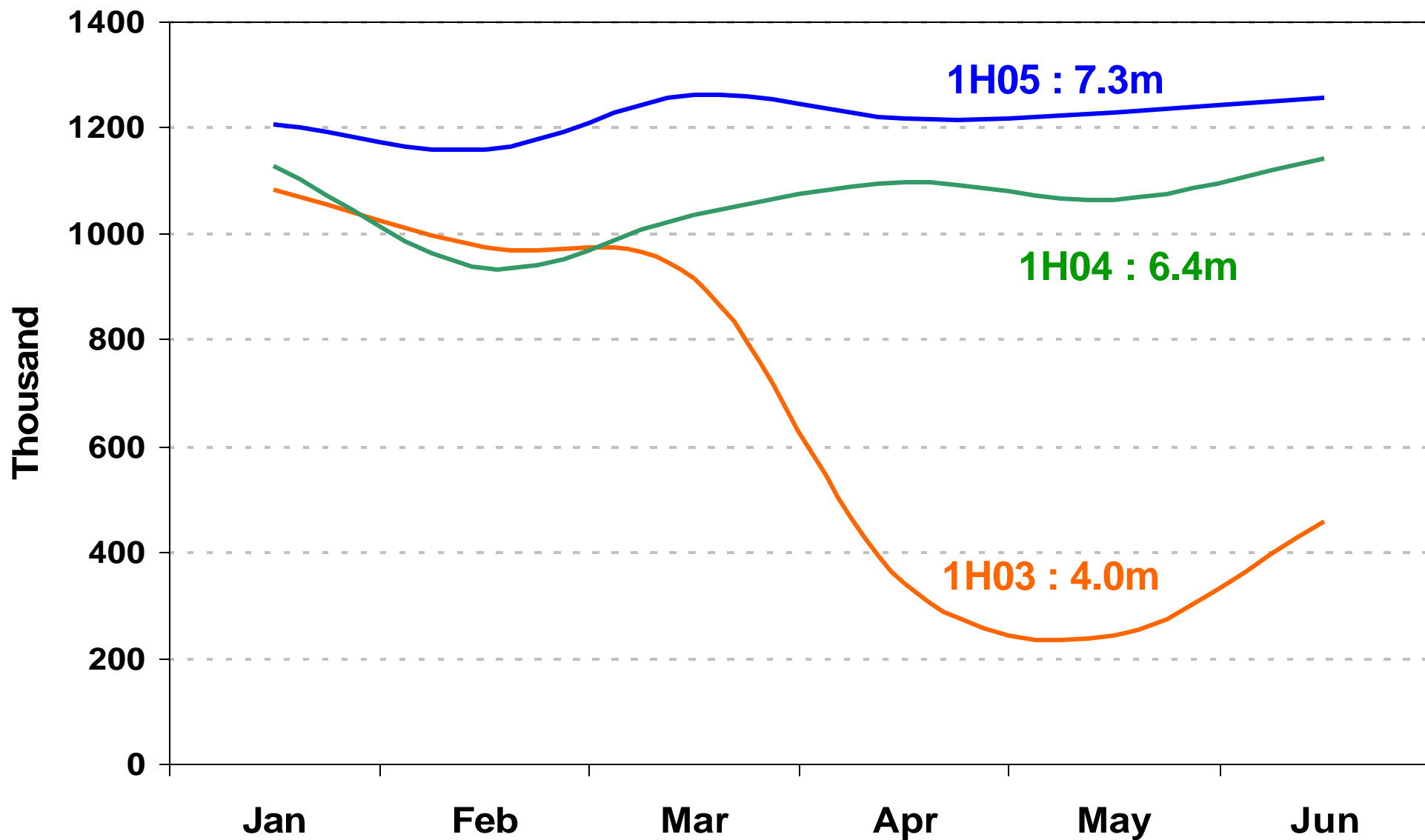


# Passenger Yield





# Monthly Passenger Number



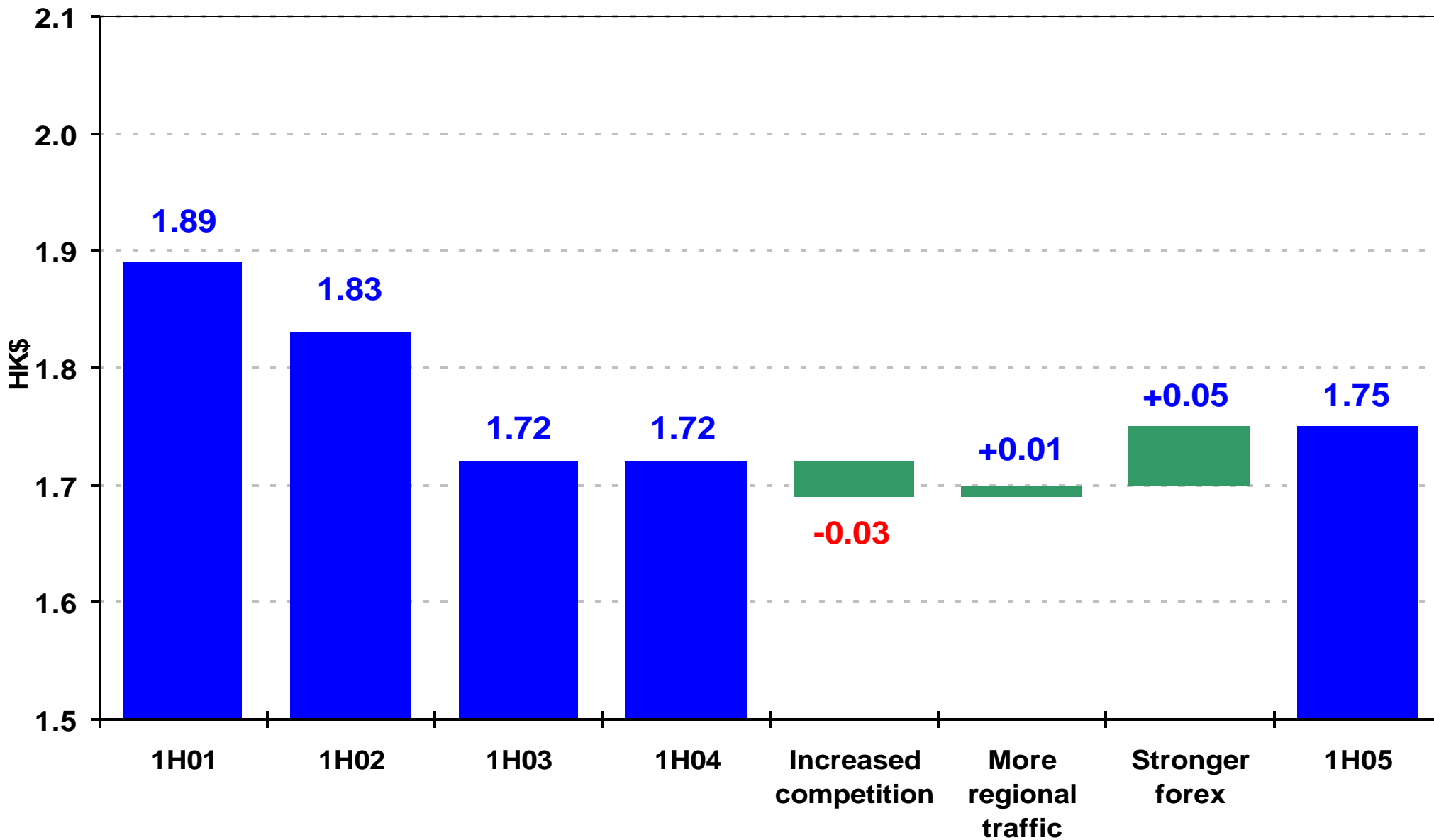
# Cargo Service - Key Numbers

	<u>1H 05</u>	<u>vs 2004</u>
Turnover	HK\$5,394m	+ 10.3%
Cargo Capacity (ACTK)	4,685m	+ 13.2%
- on passenger aircraft	1,977m	+ 9.9%
- on freighters	2,708m	+ 15.7%
Cargo Carried	518k tons	+ 10.2%
Load factor	65.9%	- 2.8%pts
Yield per tonne km	HK\$1.75	+ 1.7%

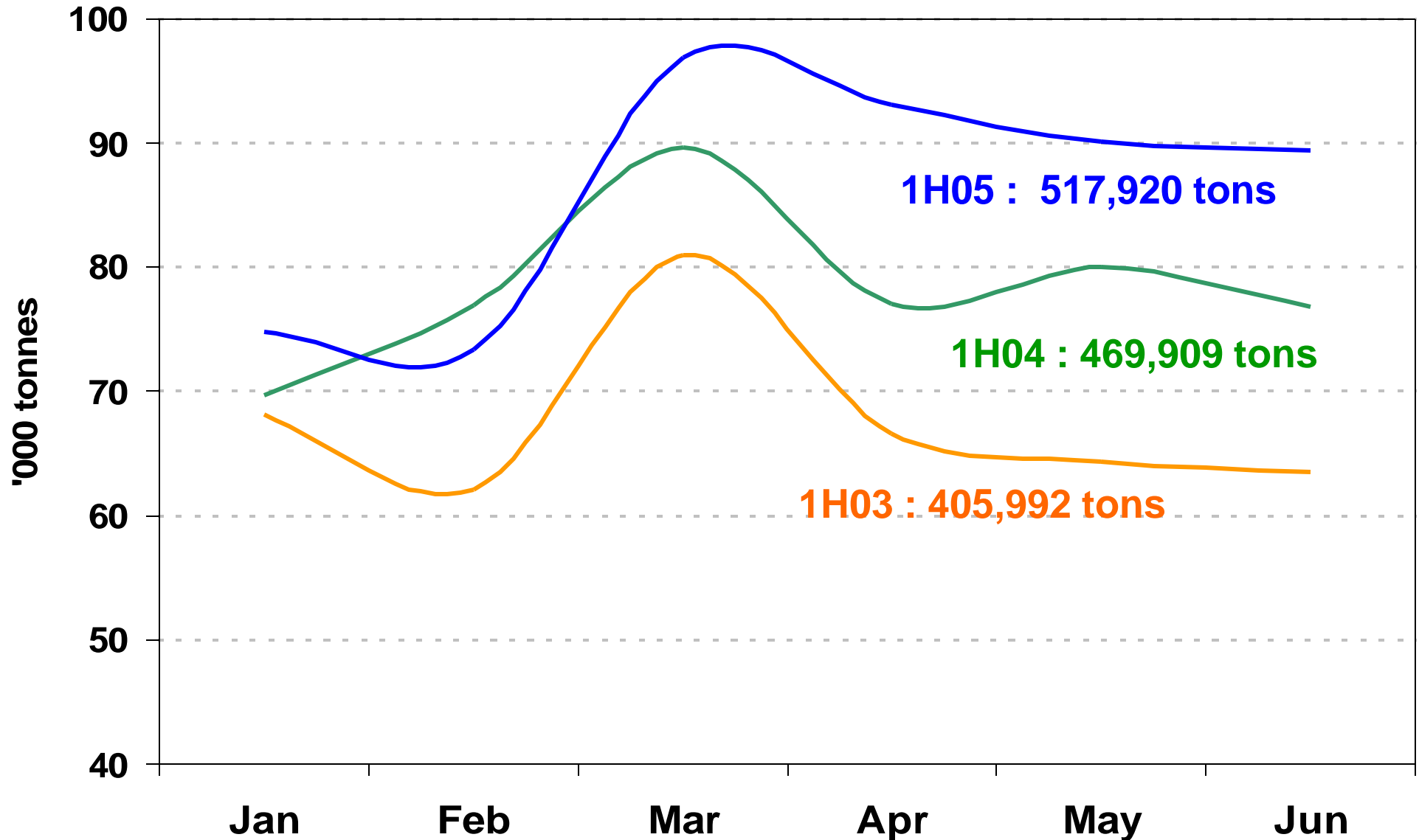


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# Cargo Yield



# Monthly Cargo Carried

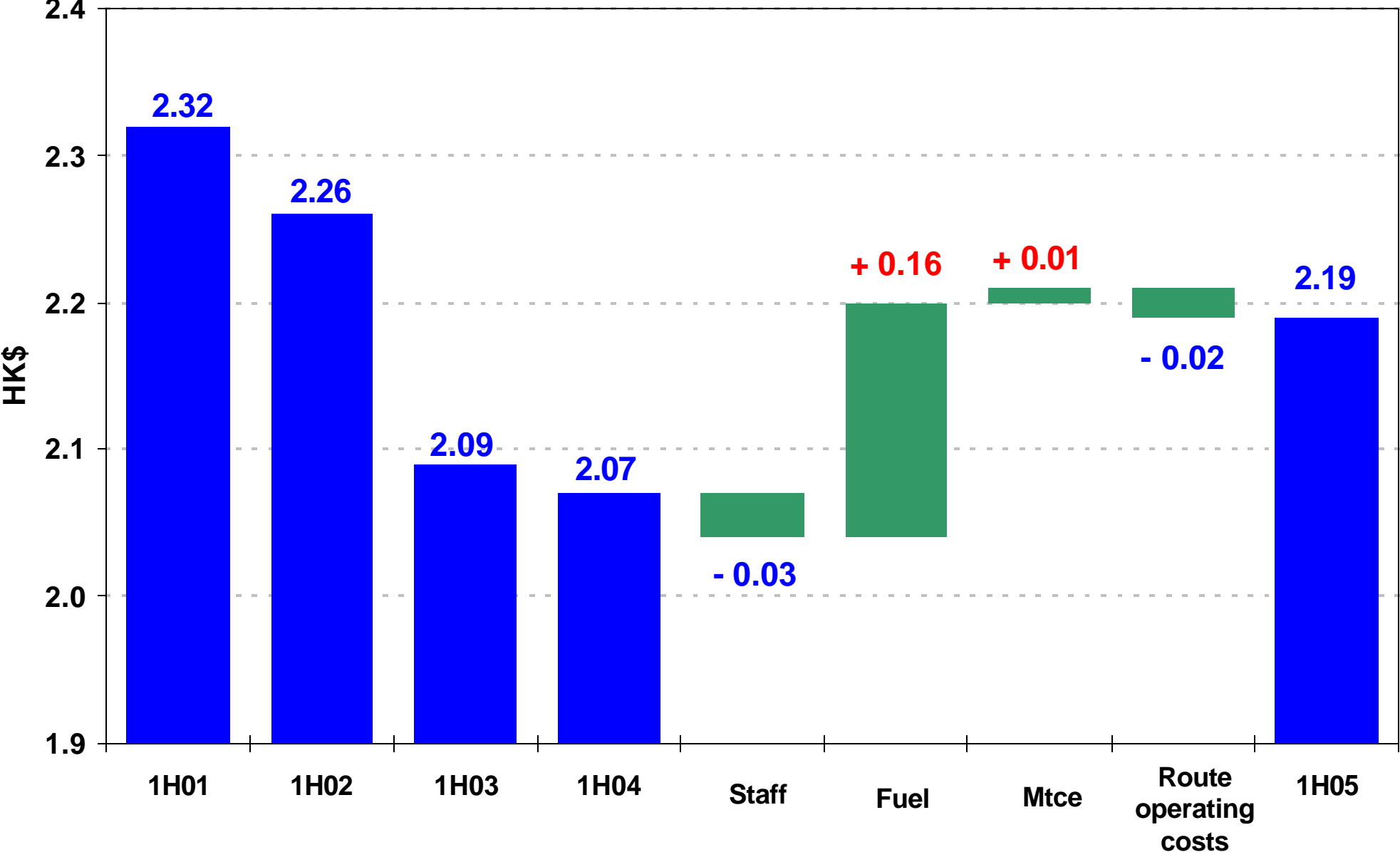


## Cathay Pacific - Net Operating Cost

	<u>1H 2005</u>	<u>1H 2004</u>	<u>vs 2004</u>
Staff	4,149	3,871	+ 7.2%
Inflight service & passenger	866	749	+ 15.6%
Landing, parking & route	2,780	2,615	+ 6.3%
Fuel	5,151	3,385	+ 52.2%
Aircraft maintenance	1,862	1,610	+ 15.7%
Depreciation & leases	2,620	2,340	+ 12.0%
Net finance charges	171	310	- 44.8%
Others	859	643	+ 33.6%
<b>CX - Net Operating Cost <i>HK\$m</i></b>	<b>18,458</b>	<b>15,523</b>	<b>+ 18.9%</b>



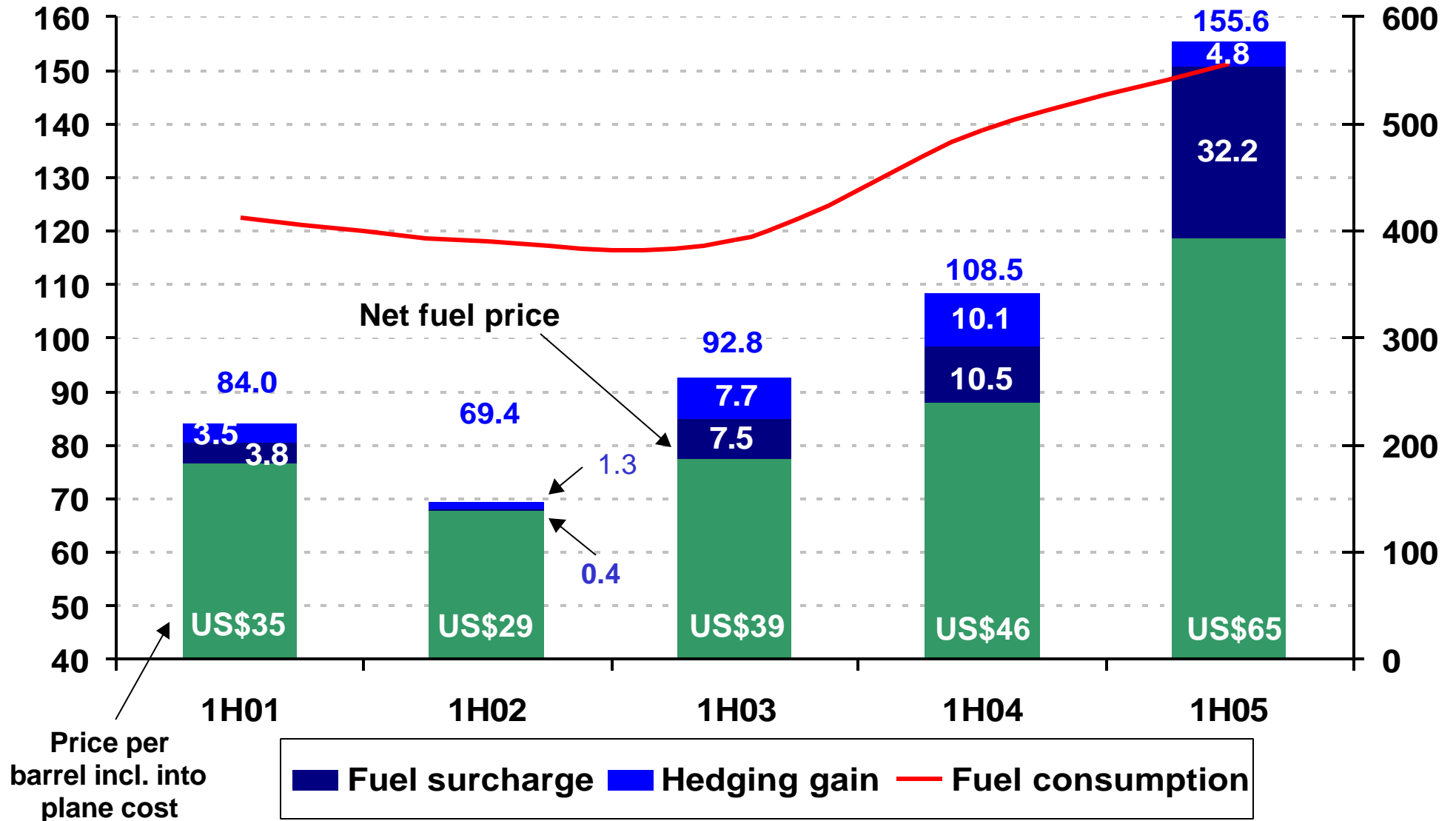
# Cost per ATK



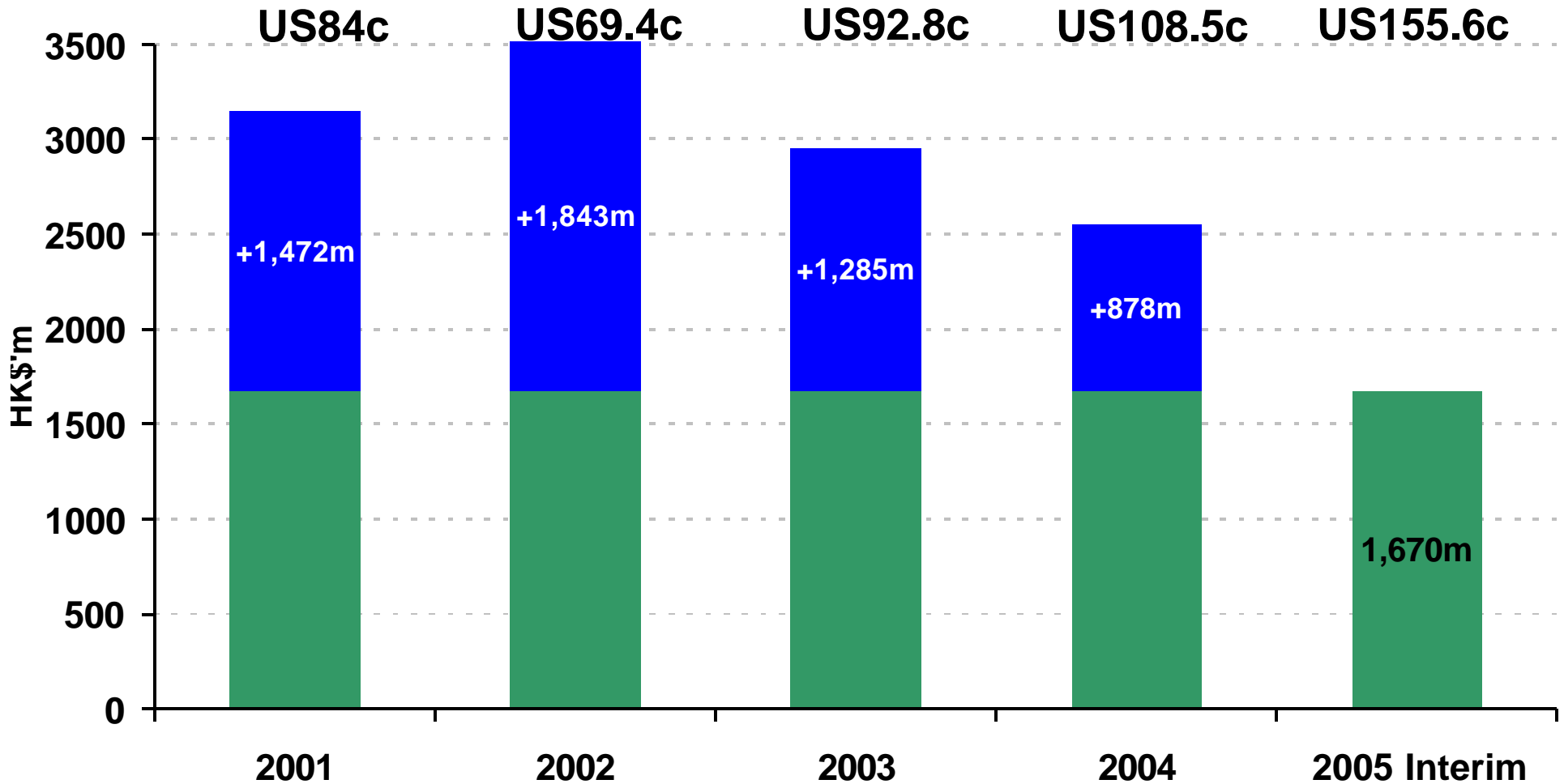
# Fuel price & consumption

Fuel price - US\$/AG

Consumption - AG'm



# 2005 Interim Profit - at prior years' fuel prices



If 1H05 fuel price was the same as in these years

Assumptions : Fuel surcharges recalculated

SOP recalculated

No change to fuel hedging gains





# Balance Sheet

	<u>Jun 2005</u>	<u>Dec 2004</u>	<u>vs Dec 2004</u>
Shareholders' Funds	HK\$33,827m	HK\$32,855m	3.0% up
Gross Borrowings	HK\$23,075m	HK\$22,661m	1.8% up
Less:			
Liquid Funds	HK\$(11,787m)	HK\$(11,474m)	2.7% up
Net Borrowings	HK\$11,288m	HK\$11,187m	0.9% up
Capital Employed	HK\$45,115m	HK\$44,042m	2.4% up
Net Debt/Equity Ratio	0.33	0.34	- 0.01times

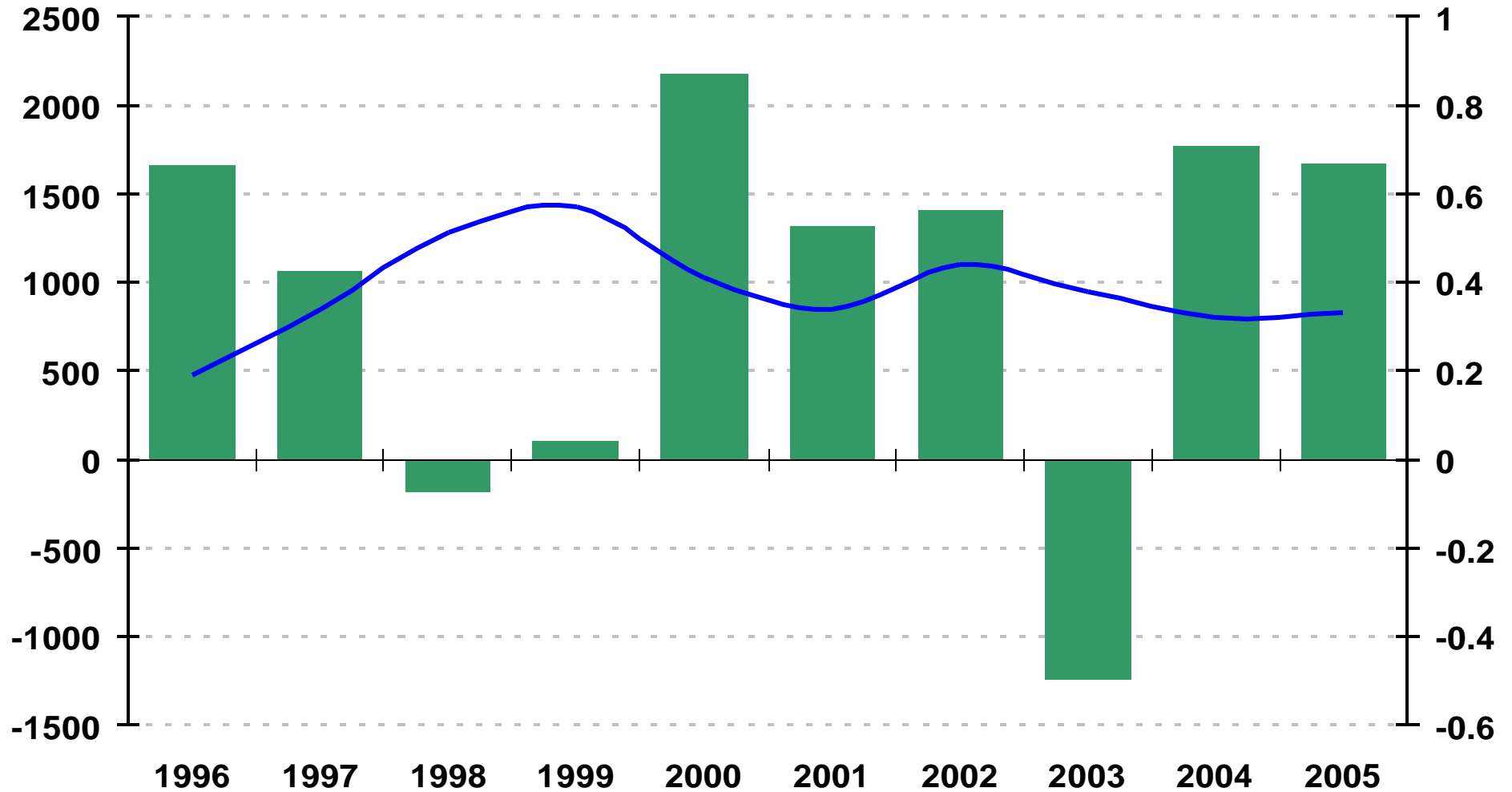


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# Interim Profit & Net Debt/Equity Ratio

Profit / (loss) - HK\$ m

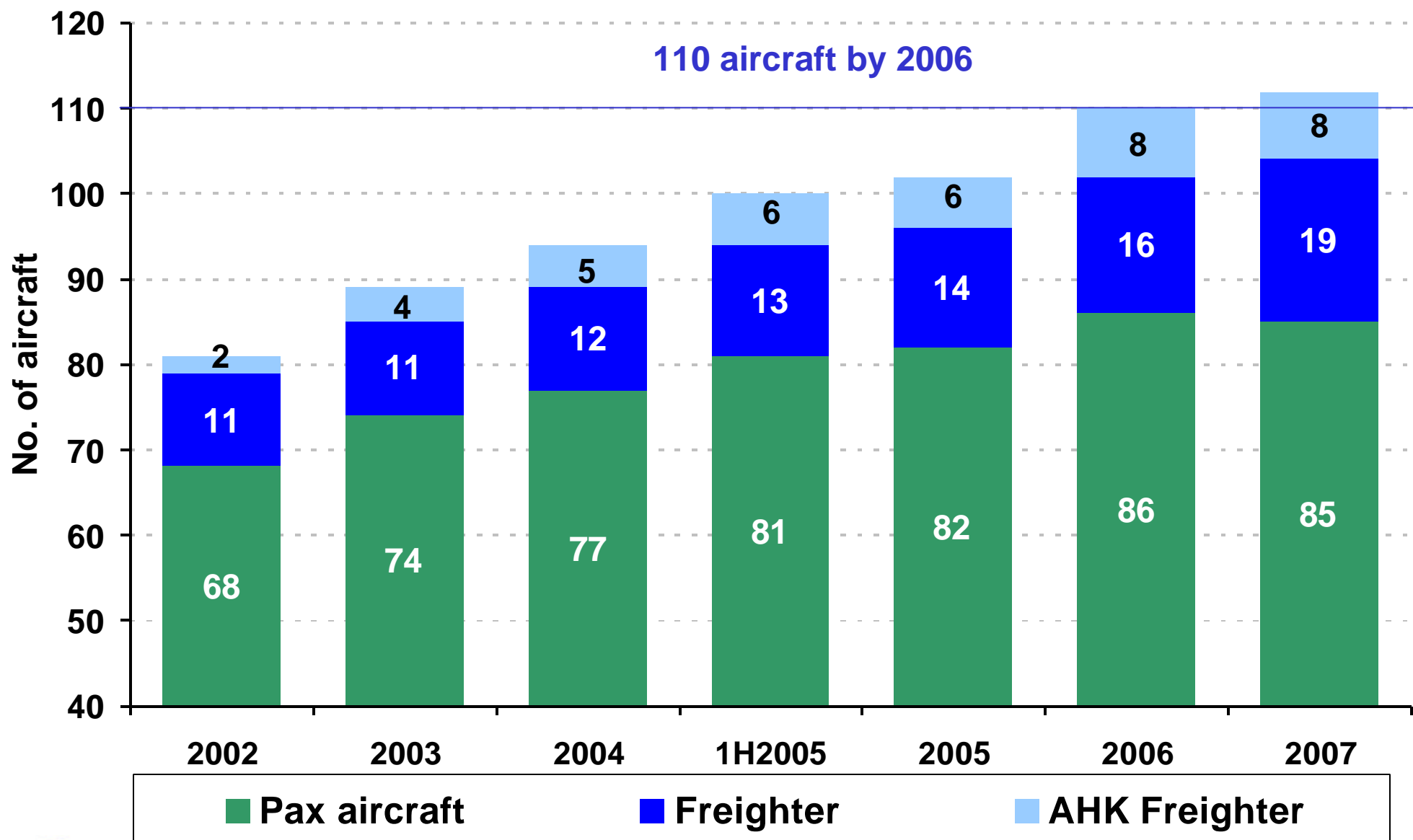
D/E ratio - times



■ Profit/(Loss)      — Net debt/equity ratio



# Fleet Expansion (CX & AHK) : 2002 to 2007



# Cost per ATK - First Half

