

# *Cathay Pacific Airways*

## *2006 Interim Results*



*9 August 2006*

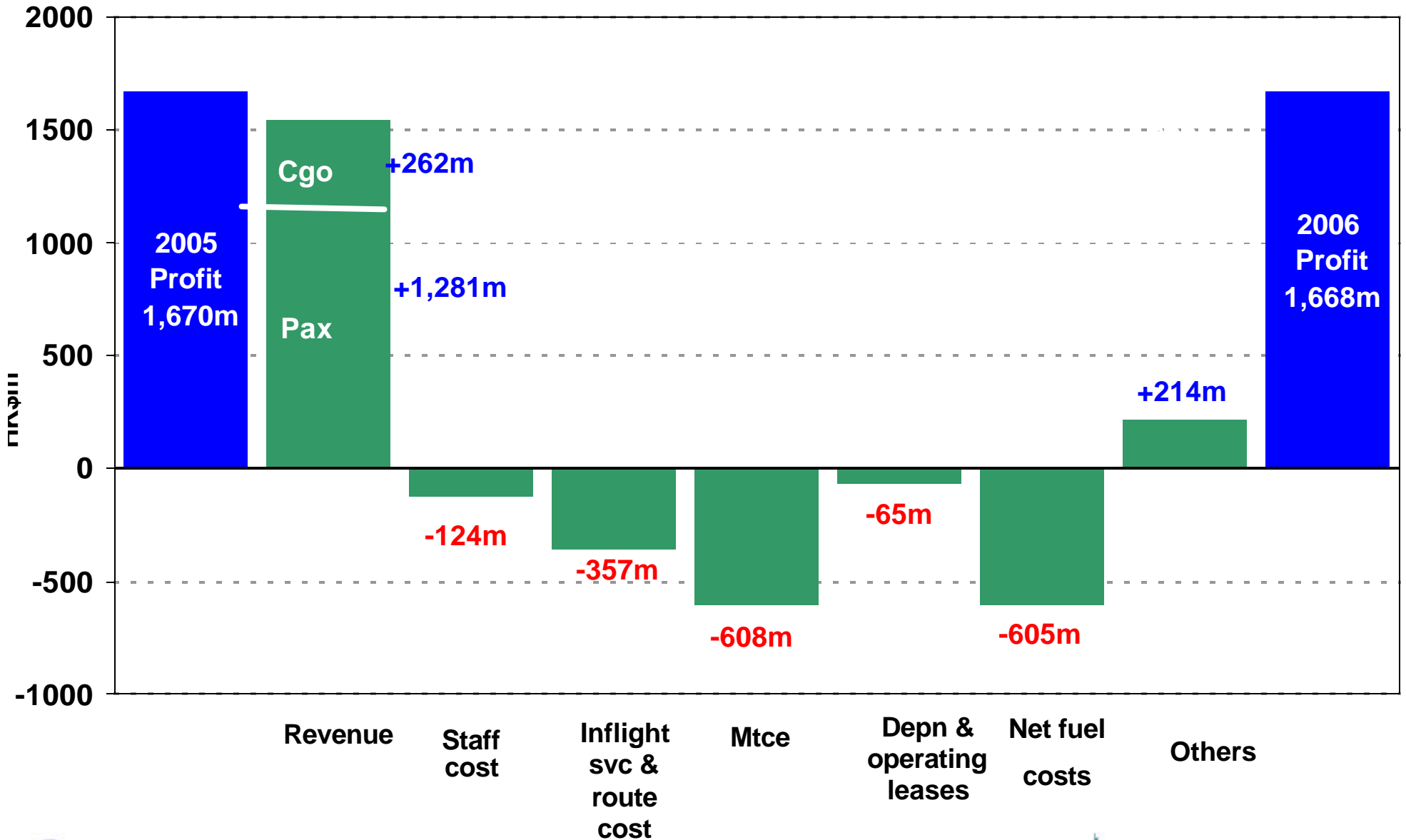
# Interim Result Highlights

	<u>1H 2006</u>	<u>vs 2005</u>
<b>Group Profit</b>	HK\$1,668m	- HK\$2m
<b>Group Turnover</b>	HK\$27,086m	+ 13.4%
<b>Net Debt/Equity Ratio</b>	0.21	- 0.05times
<b>Dividend per Share</b>	HK 20c	-
<b>Available tonne kilometres</b>	9,126m	+ 8.1%
<b>Cost per ATK</b>	HK\$2.19	-
<b>Cost per ATK (w/o fuel)</b>	HK\$1.56	- 1.3%
<b>Revenue Load Factor</b>	75.8%	+ 1.3%pts
<b>Breakeven Load Factor</b>	69.6%	+ 1.6%pts



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# Interim Profit Reconciliation : 2005 to 2006



## *Passenger Service - Key Numbers*

	<u>1H 2006</u>	<u>vs 2005</u>
<b>Turnover</b>	<b>HK\$15,941m</b>	<b>+ 8.7%</b>
<b>Seat Capacity (ASK)</b>	<b>43,814m</b>	<b>+ 10.8%</b>
<b>Passenger Number</b>	<b>8,144m</b>	<b>+ 11.1%</b>
<b>Yield per Revenue Pax Km</b>	<b>HK45.8c</b>	<b>- 3.0%</b>
<b>Load Factor</b>	<b>79.1%</b>	<b>+ 1.0%pt</b>



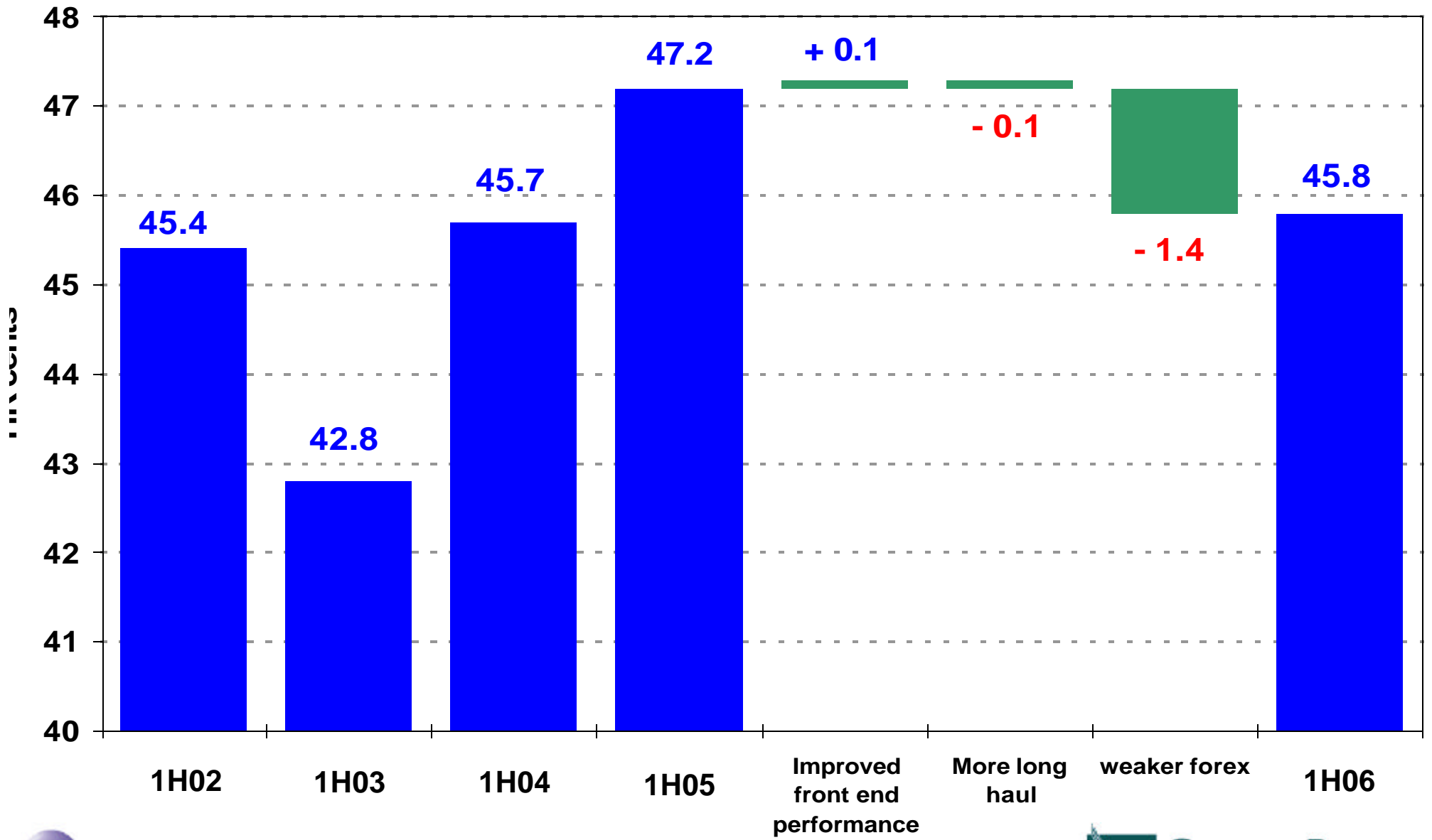
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# Passenger Service - by Region

	ASK	vs 2005	Load Factor	vs 2005	Yield Change
North Asia	6,822m	+7.2%	70.0%	+0.4% pts	- 5.7%
SW Pacific & S. Africa	7,096m	- 2.9%	77.9%	+5.3% pts	- 3.0%
SE Asia & Middle East	8,991m	+7.7%	74.9%	+2.3% pts	+1.5%
Europe	9,108m	+20.0%	83.2%	- 4.1% pts	- 6.0%
North America	11,797m	+19.0%	84.9%	- 0.3% pts	+0.5%
<b>Systemwide</b>	<b>43,814m</b>	<b>+10.8%</b>	<b>79.1%</b>	<b>+1.0% pts</b>	<b>- 3.0%</b>



# Passenger Yield



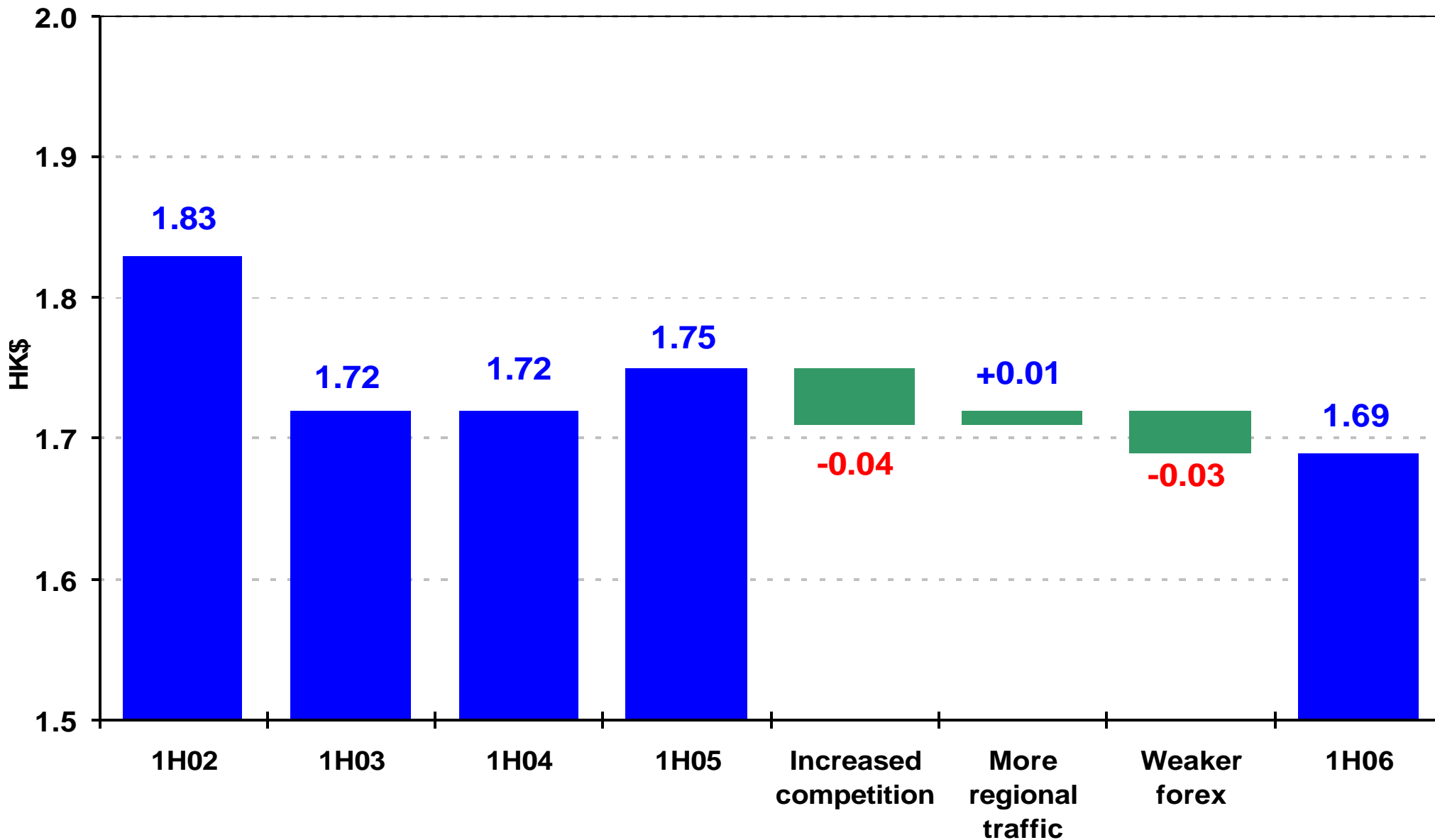
# Cargo Service - Key Numbers

	<u>1H 06</u>	<u>vs 2005</u>
<b>Turnover</b>	<b>HK\$5,656m</b>	<b>+ 4.9%</b>
<b>Cargo Capacity (ACTK)</b>	<b>4,959m</b>	<b>+ 5.8%</b>
- on passenger aircraft	<b>1,970m</b>	<b>- 0.4%</b>
- on freighters	<b>2,989m</b>	<b>+ 10.4%</b>
<b>Cargo Carried</b>	<b>573k tons</b>	<b>+ 10.6%</b>
<b>Load factor</b>	<b>67.7%</b>	<b>+1.8%pts</b>
<b>Yield per tonne km</b>	<b>HK\$1.69</b>	<b>- 3.4%</b>



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# Cargo Yield





## Cathay Pacific - Net Operating Cost

	<u>1H 2006</u>	<u>1H 2005</u>	<u>vs 2005</u>
Staff	4,273	4,149	+ 3.0%
Inflight service & passenger	907	866	+ 4.7%
Landing, parking & route	3,096	2,780	+ 11.4%
Fuel	5,756	5,151	+ 11.7%
Aircraft maintenance	2,470	1,862	+ 32.7%
Depreciation & leases	2,685	2,620	+ 2.5%
Net finance charges	121	171	- 29.2%
Others	693	859	- 19.3%
<b>CX - Net Operating Cost <i>HK\$m</i></b>	<b>20,001</b>	<b>18,458</b>	<b>+ 8.4%</b>

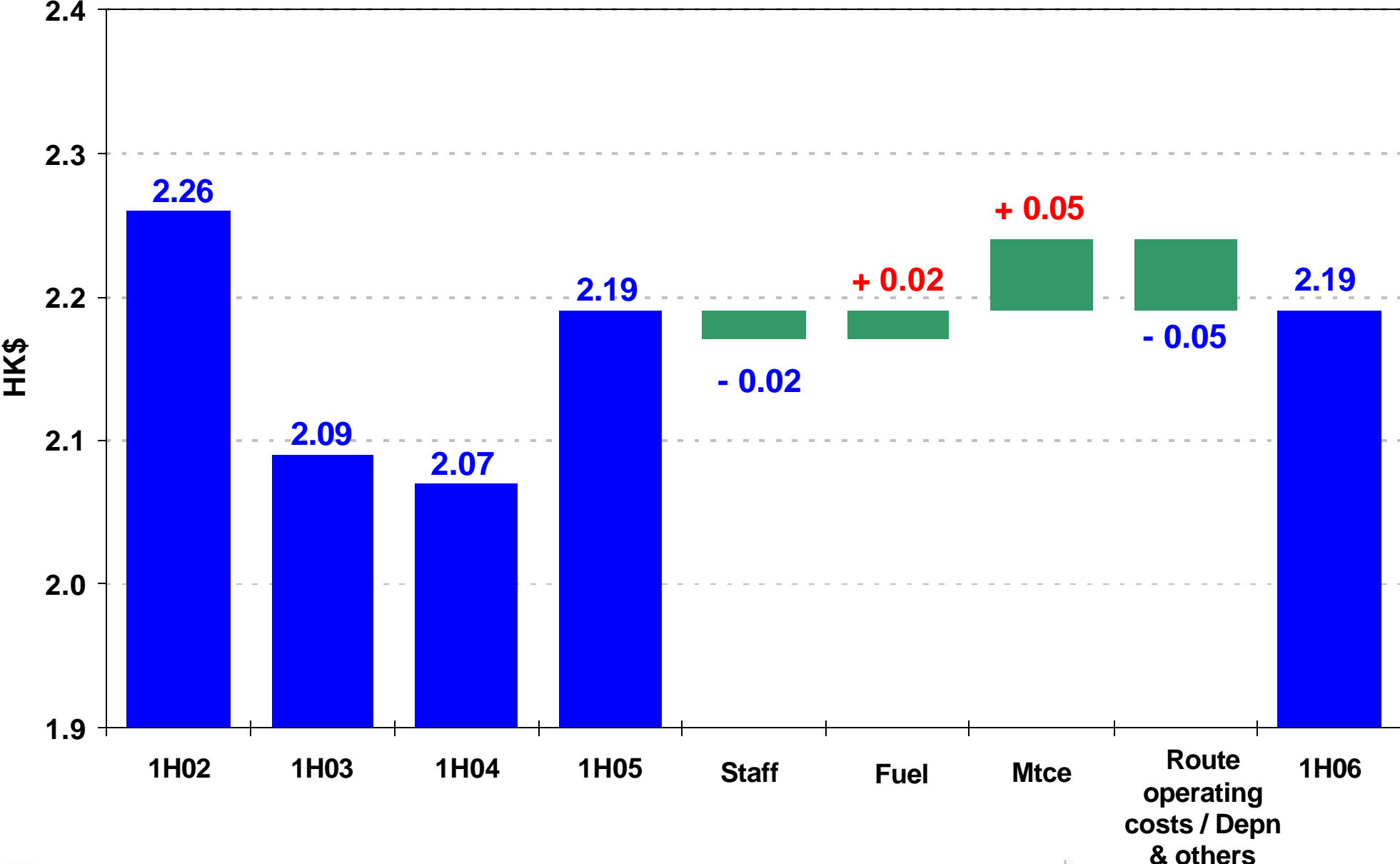


# Cathay Pacific - Change in % of Cost

	<u>1H 2006</u>	<u>1H 2005</u>	<u>vs 2005</u>
Staff	21.4%	22.5%	- 1.1% pts
Inflight service & passenger	4.5%	4.7%	- 0.2% pts
Landing, parking & route	15.5%	15.1%	+ 0.4% pts
Fuel	28.8%	27.9%	+ 0.9% pts
Aircraft maintenance	12.3%	10.1%	+ 2.2% pts
Depreciation & lease	13.4%	14.2%	- 0.8% pts
Net finance charges	0.6%	0.9%	- 0.3% pts
Others	3.5%	4.6%	- 1.1% pts
<b>Total</b>	<b>100%</b>	<b>100%</b>	

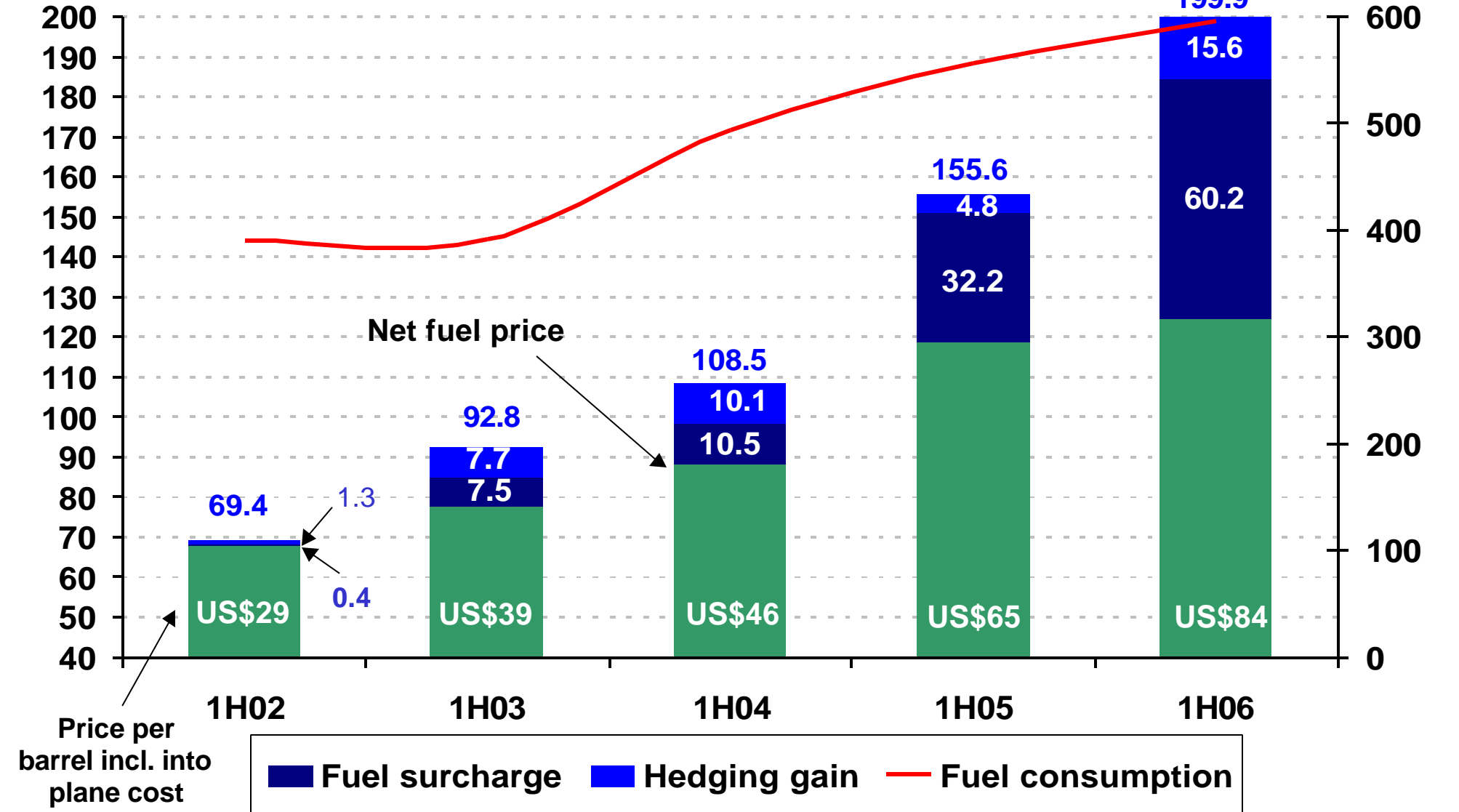


# Cost per ATK

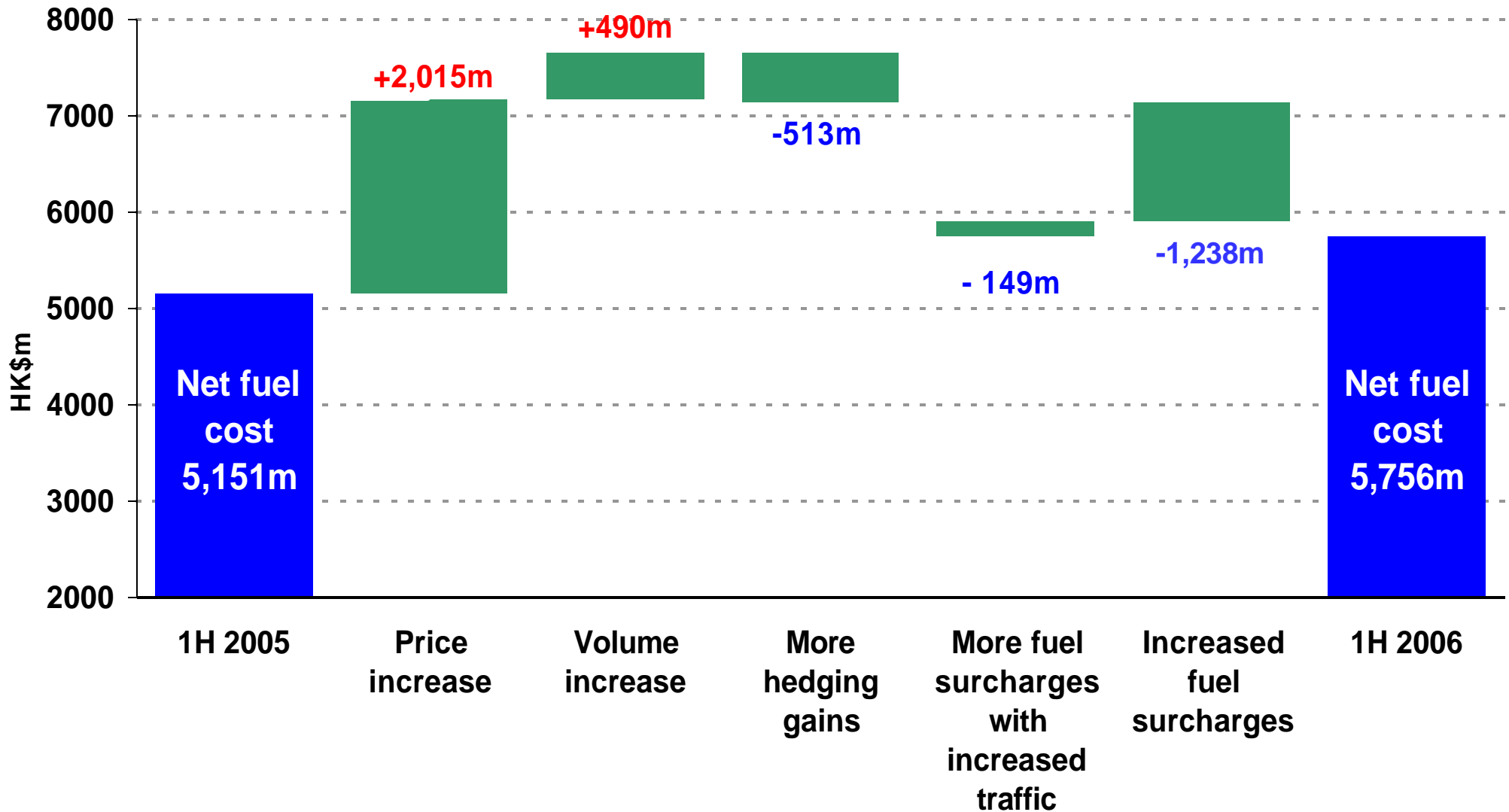


# Fuel price & consumption

Fuel price - US\$/AG



# Impact of higher fuel cost in 1H2006



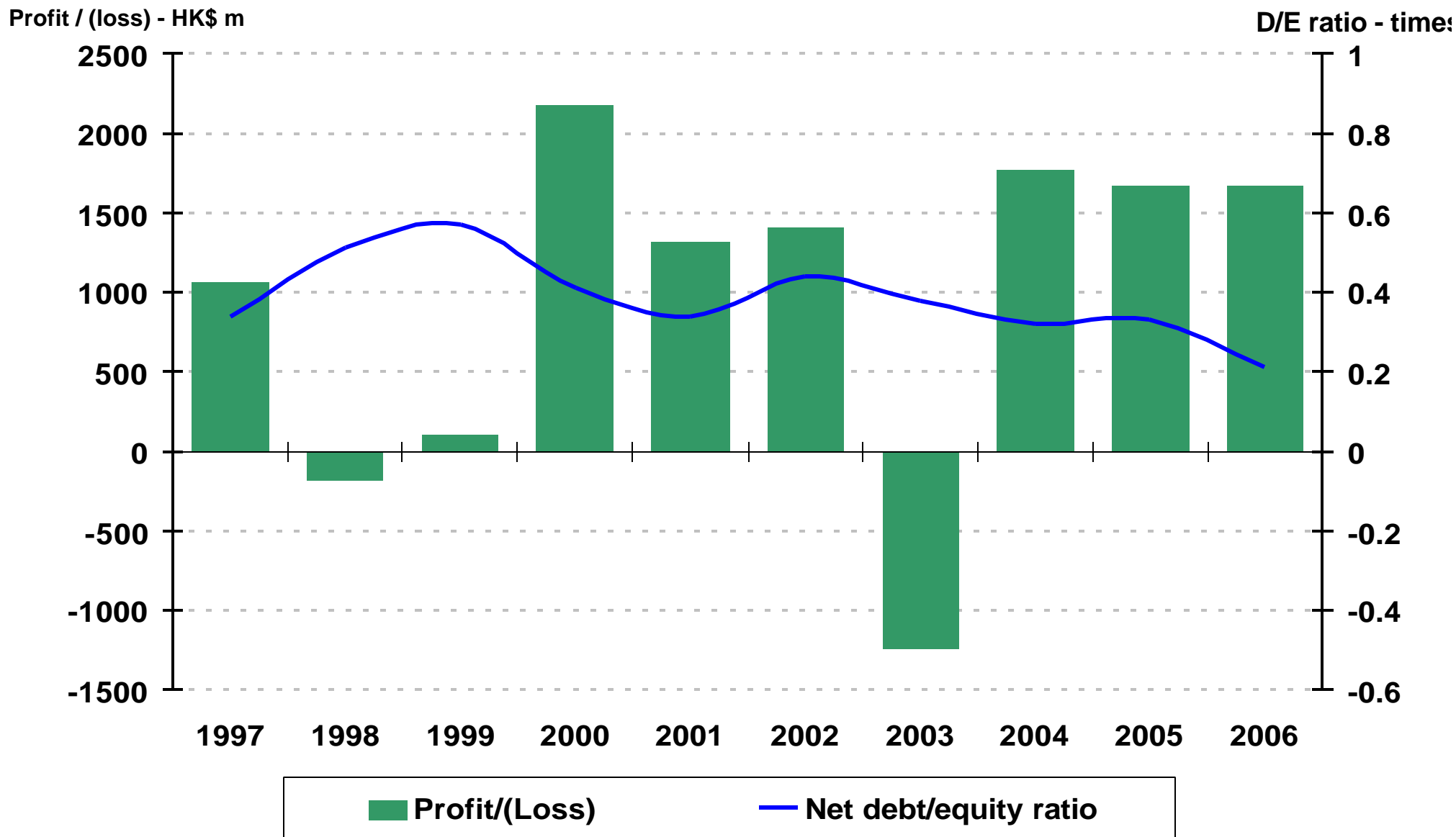
# Balance Sheet

	<u>Jun 2006</u>	<u>Dec 2005</u>	<u>vs Dec 2005</u>
Shareholders' Funds	HK\$36,343m	HK\$34,968m	3.9% up
Gross Borrowings	HK\$21,299m	HK\$22,509m	5.4% down
Less:			
Liquid Funds	HK\$(13,722m)	HK\$(13,459m)	2.0% up
Net Borrowings	HK\$7,577m	HK\$9,050m	16.3% down
Capital Employed	HK\$43,920m	HK\$44,018m	0.2% down
Net Debt/Equity Ratio	0.21	0.26	- 0.05times



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# Interim Profit & Net Debt/Equity Ratio



# Cost per ATK - First Half

