



Cathay Pacific Airways

2007 Annual Results

5 March 2008

Highlights

- Turnover of HK\$75,358m, up 24.0%
- Group profit of HK\$7,023m, up 71.8%
- Earnings per share HK178.3c, up 53.8%
- Final dividends HK59c per share, up 84.4%
- Total dividends HK84c per share, same as 2006
- Gross fuel costs up 21.8% to HK\$24,624m
- CX pax load factor up 1.2%pt to 81.1%
- CX pax yield increased by 11.1% to HK52.2c
- CX cargo and mail load factor down 0.8%pt to 67.5%
- CX cargo and mail yield decreased by 7.7% to HK\$1.56



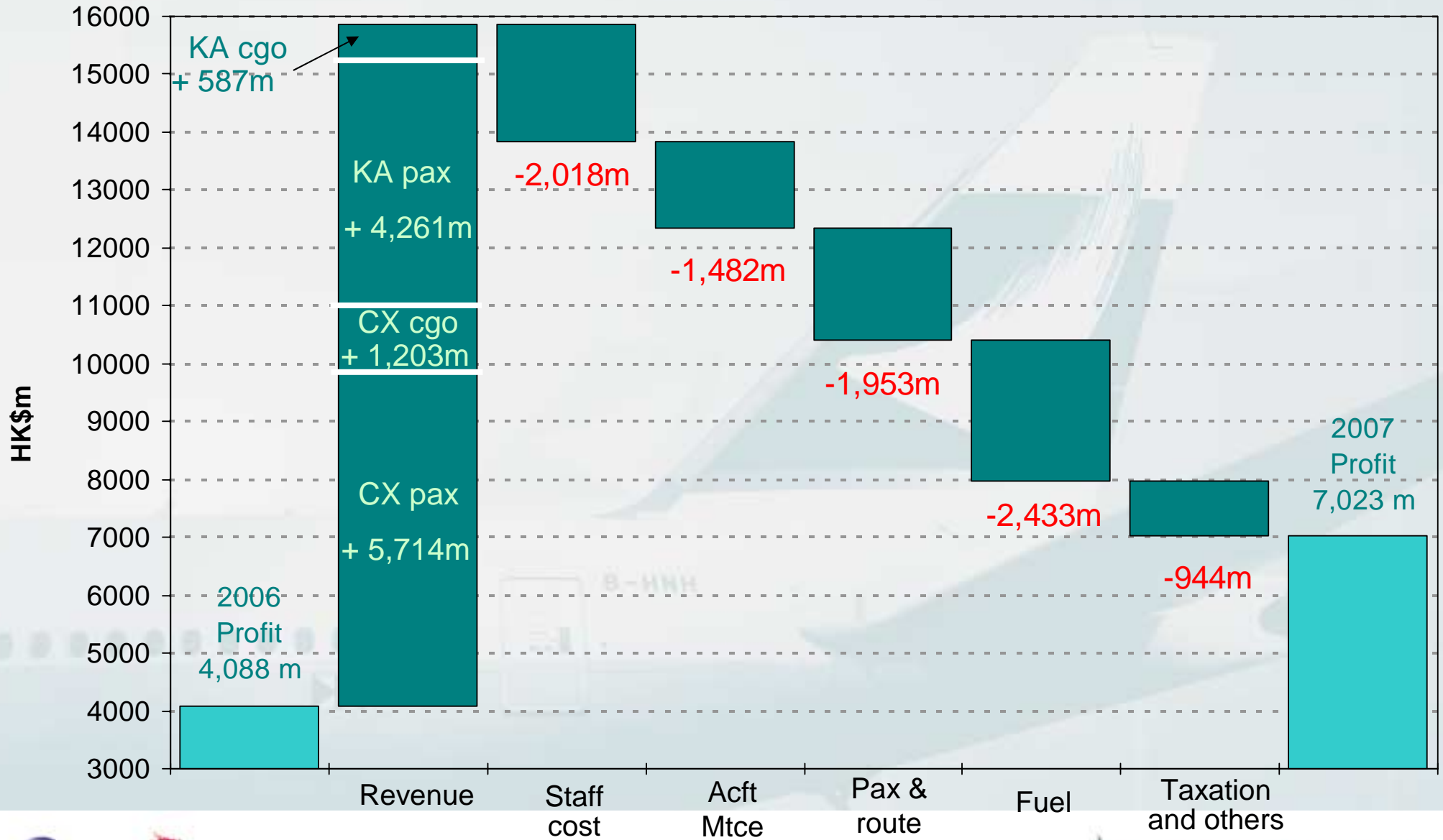
Annual Result

	<u>FY 2007</u>	<u>FY 2006</u>
Group Profit	HK\$7,023m	HK\$4,088m
Group Turnover	HK\$75,358m	HK\$60,783m
Profit Margin	11.2%	8.0%
Return on Capital Employed	12.6%	8.9%
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Available tonne kilometres	23,077m	19,684m
Cost per ATK	HK\$2.32	HK\$2.23
Cost per ATK (w/o fuel)	HK\$1.65	HK\$1.57
Revenue Load Factor	75.6%	76.2%
Breakeven Load Factor	67.0%	69.2%

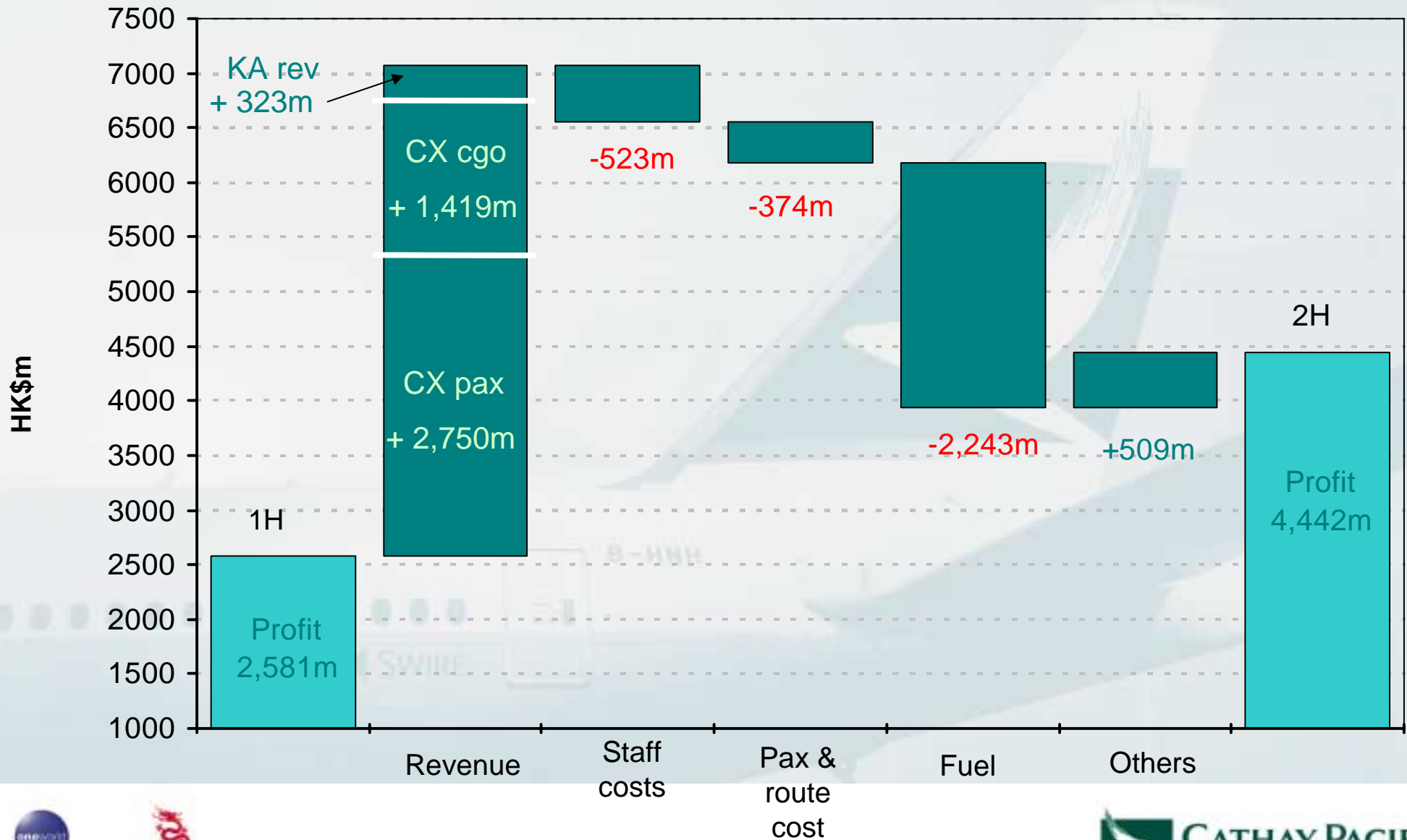


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Profit Reconciliation : 2006 to 2007



Profit Reconciliation : 2H vs 1H



Passenger Service - Key Numbers

	<u>FY 2007</u>	<u>vs 2006</u>	<u>vs 2006</u> <u>of CX</u>
Turnover	HK\$45,129m	+ 28.4%	+ 17.0%
Seat Capacity (ASK)	102,462m	+ 11.7%	+ 3.9%
Passenger Number	23.3m	+ 28.5%	+ 6.2%
Yield per Revenue Pax Km	HK¢ 55.0	+ 14.6%	+ 11.1%
Load Factor	79.8%	+ 0.3% pts	+ 1.2% pts



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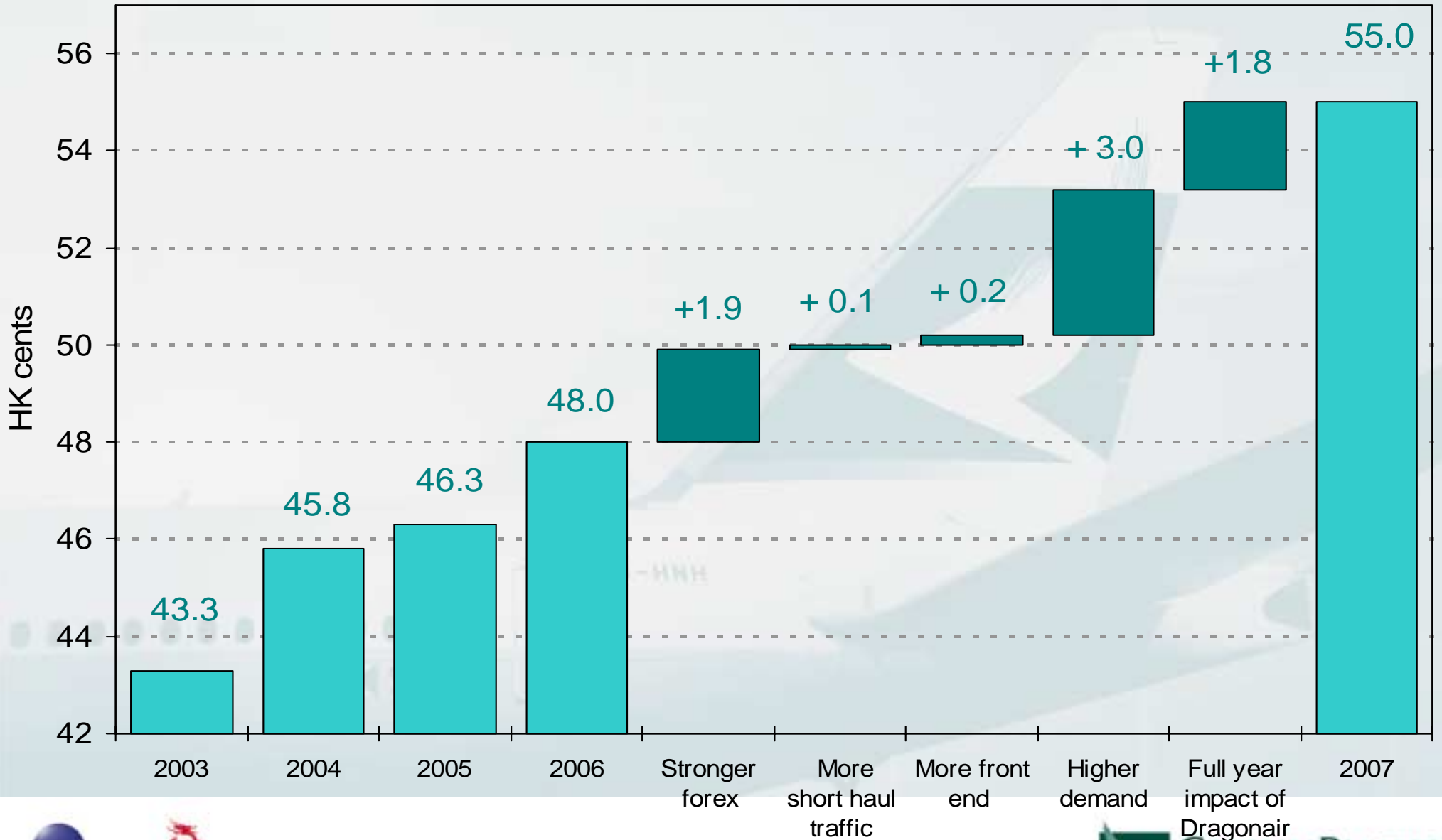
Passenger Service - by Region

CX	ASK (m)	vs 2006	Load Factor	vs 2006	Yield Change
SW Pacific & S. Africa	14,589	+2.5%	81.7%	+1.6% pts	+16.8%
North Asia	14,839	+7.6%	73.6%	+1.3% pts	+4.8%
SE Asia & Middle East	18,234	-0.8%	80.4%	+4.3% pts	+9.7%
Europe	19,641	+4.0%	83.6%	-0.6% pts	+13.6%
North America	25,247	+5.9%	83.6%	+0.1% pts	+11.3%
Systemwide	92,550	+3.9%	81.1%	+1.2% pts	+11.1%
KA					
North Asia	8,926	-9.5%	69.1%	+1.2% pts	+3.0%
SE Asia & Middle East	986	+32.0%	61.4%	-5.4% pts	+12.1%
Systemwide	9,912	-6.5%	68.4%	+0.6% pts	+2.6%



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Passenger Yield



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Cargo Service - Key Numbers

	<u>FY 2007</u>	<u>vs 2006</u>	<u>vs 2006 of CX</u>
Turnover	HK\$16,238m	+ 13.9%	+ 10.0%
Cargo Capacity (ACTK)	13,335m	+ 21.7%	+ 20.3%
- on passenger aircraft	4,518m	+9.7%	+1.8%
- on freighters	8,817m	+ 28.9%	+ 32.0%
Cargo Carried	1,642k tons	+ 25.5%	+ 12.8%
Yield per tonne km	HK\$ 1.64	- 3.5%	- 7.7%
Load factor	66.7%	-1.9%pts	-0.8%pts



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Cargo Yield



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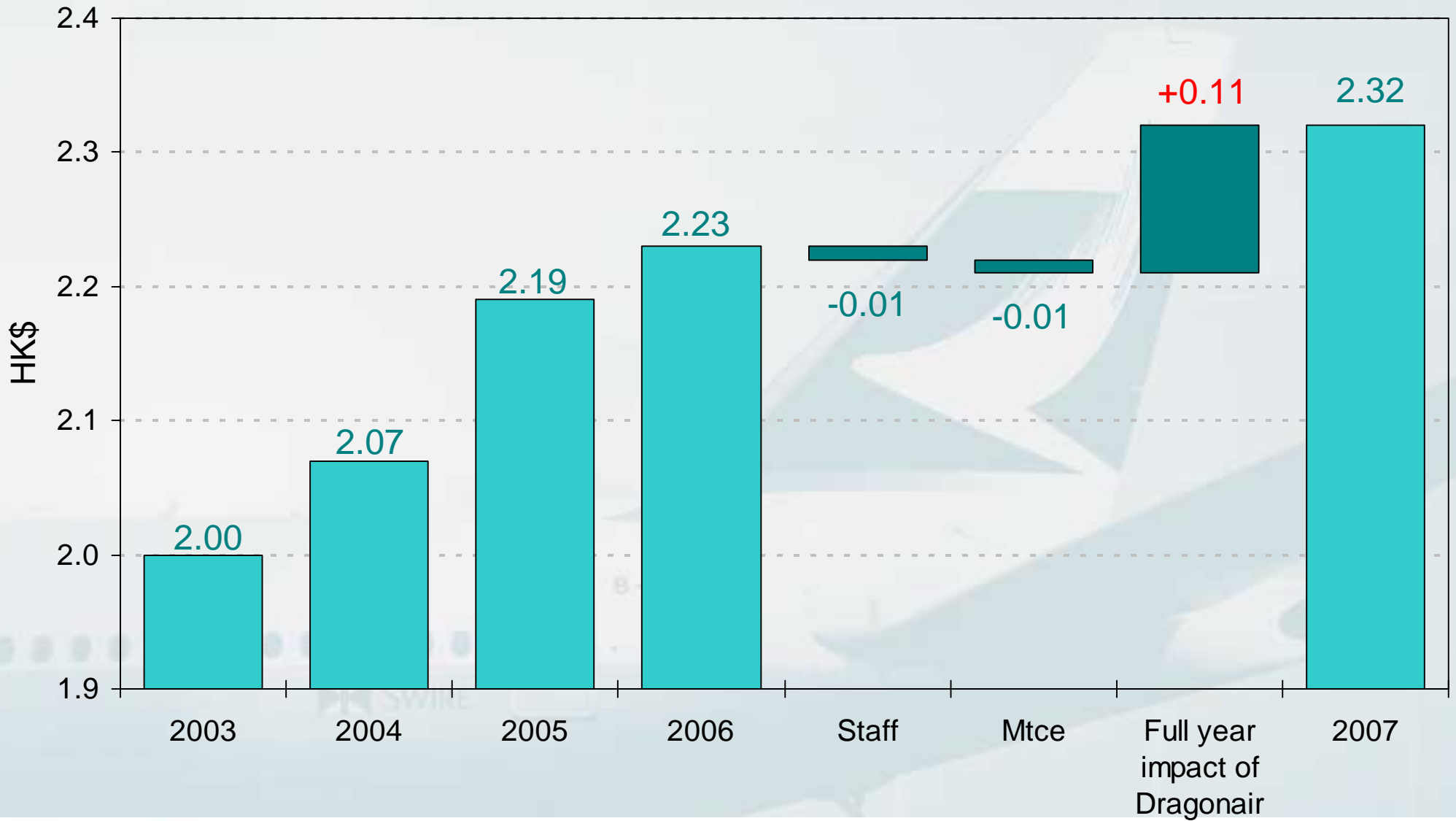
Net Operating Cost

	<u>FY 2007</u>	<u>vs 2006</u>	<u>vs 2006</u> <u>of CX</u>
Staff	12,142	+ 22.0%	+ 10.3%
Inflight service & passenger	2,418	+ 21.7%	+ 6.3%
Landing, parking & route	8,510	+ 22.5%	+ 16.1%
Fuel	15,862	+ 19.0%	+ 12.3%
Aircraft maintenance	6,830	+ 28.1%	+ 9.9%
Depreciation & lease	7,091	+ 17.8%	+ 13.5%
Net finance charges	787	+ 69.2%	+ 58.5%
Others	2,253	+ 12.7%	+ 2.3%
Net Operating Cost HK\$m	55,893	+ 21.4%	+ 12.0%



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Cost per ATK

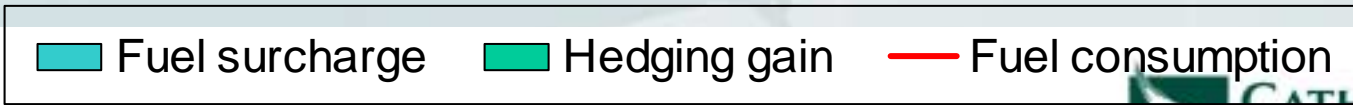
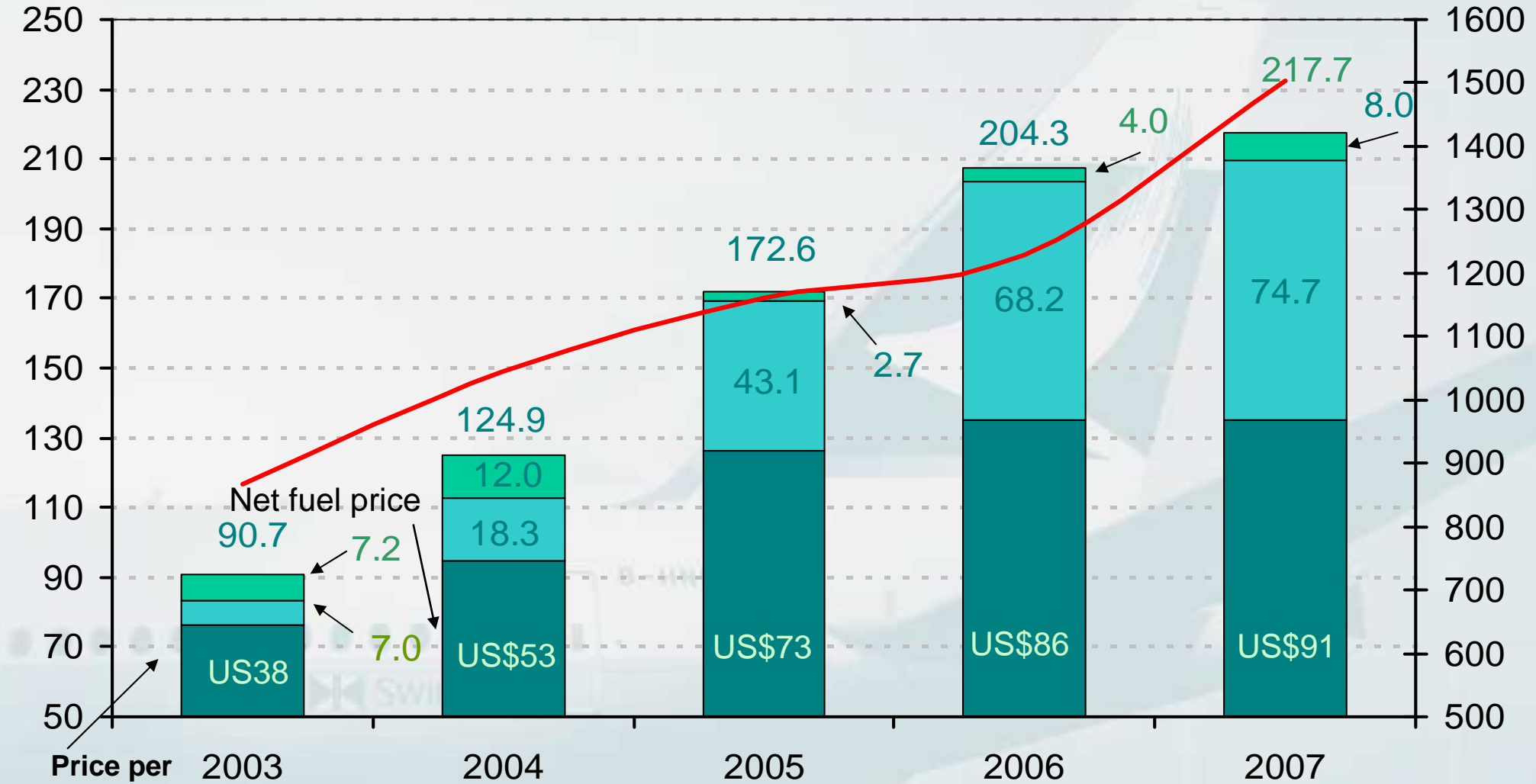


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Fuel price & consumption

Fuel price - US\$/AG

Consumption - AG'm



Fuel surcharge

Hedging gain

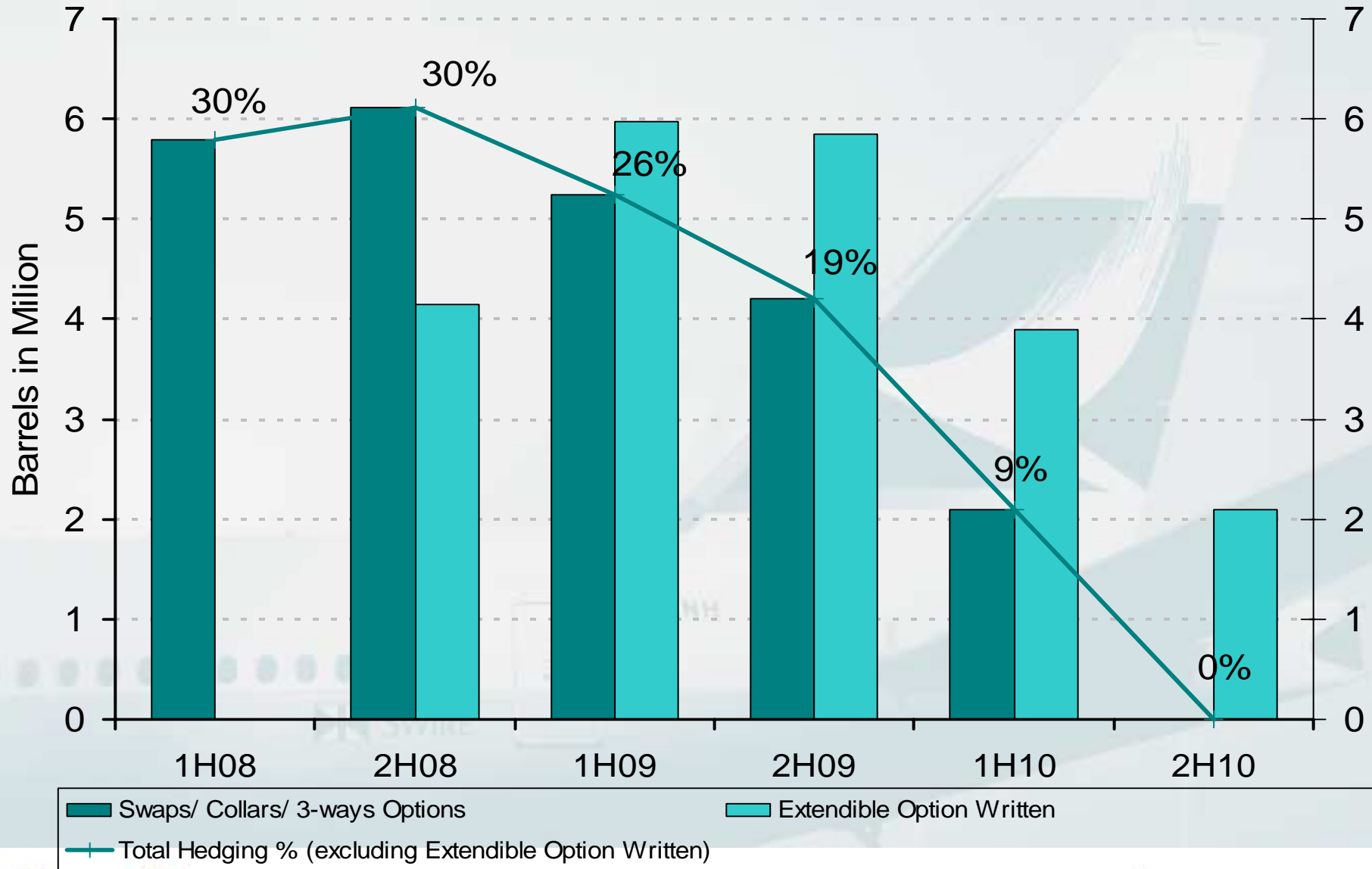
Fuel consumption



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Current Hedging Position



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Balance Sheet

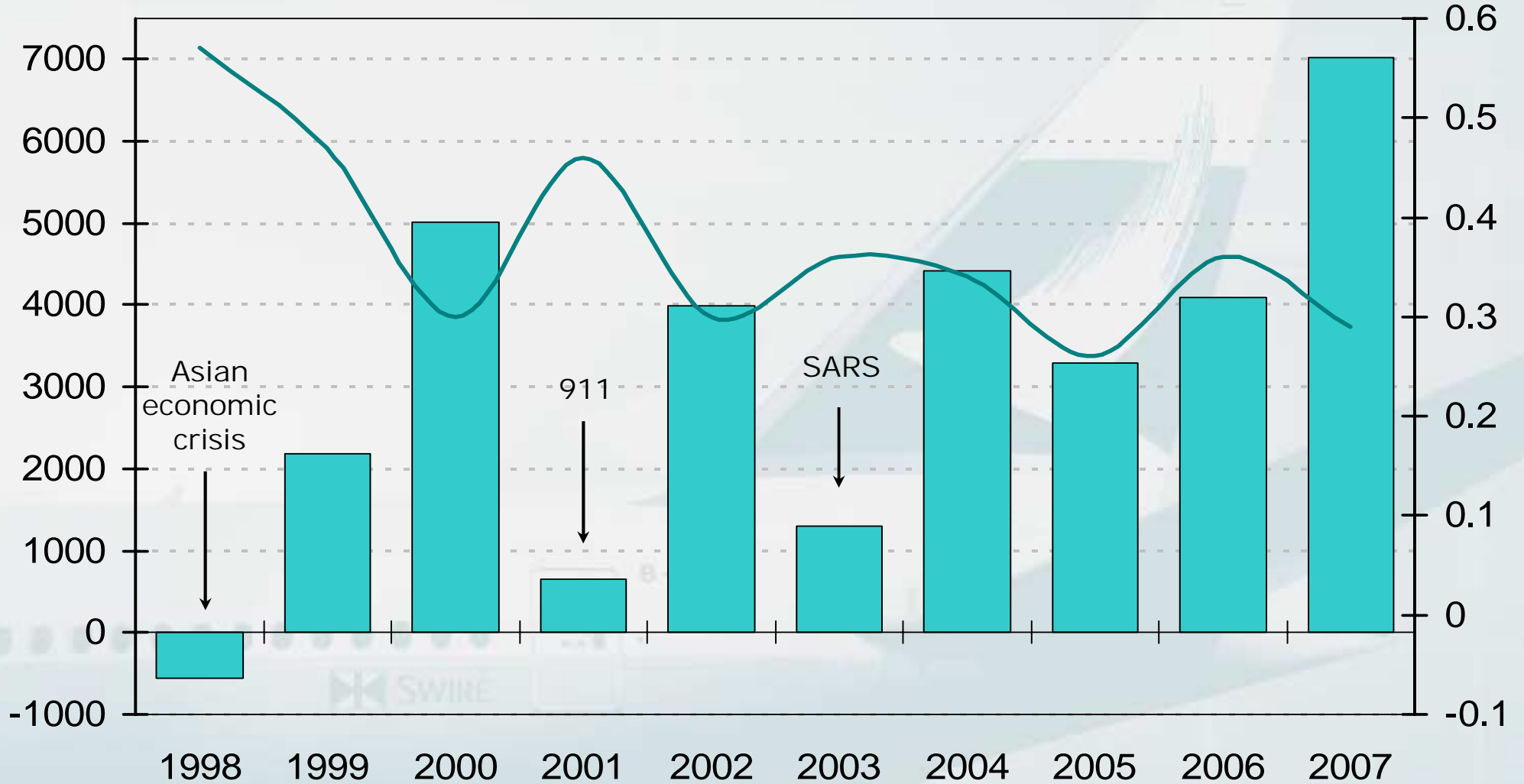
	<u>2007</u>	<u>2006</u> <u>(Restated)</u>	<u>vs 2006</u>
Shareholders' Funds	HK\$50,549m	HK\$45,386m	11.4% up
Gross Borrowings	HK\$36,368m	HK\$31,943m	13.9% up
Less:			
Liquid Funds	HK\$(21,637m)	HK\$(15,595m)	38.7% up
Net Borrowings	HK\$14,731m	HK\$16,348m	9.9% down
Capital Employed (incl. MI)	HK\$65,458m	HK\$61,886m	5.8% up
Net Debt/Equity Ratio	0.29	0.36	- 0.07 times
Goodwill from purchase of Dragonair	7,511m	7,511m	-
Investment in Air China	8,469m	7,464m	13.5% up



Profit & Net Debt/Equity Ratio

Profit / (loss) - HK\$ m

D/E ratio - times

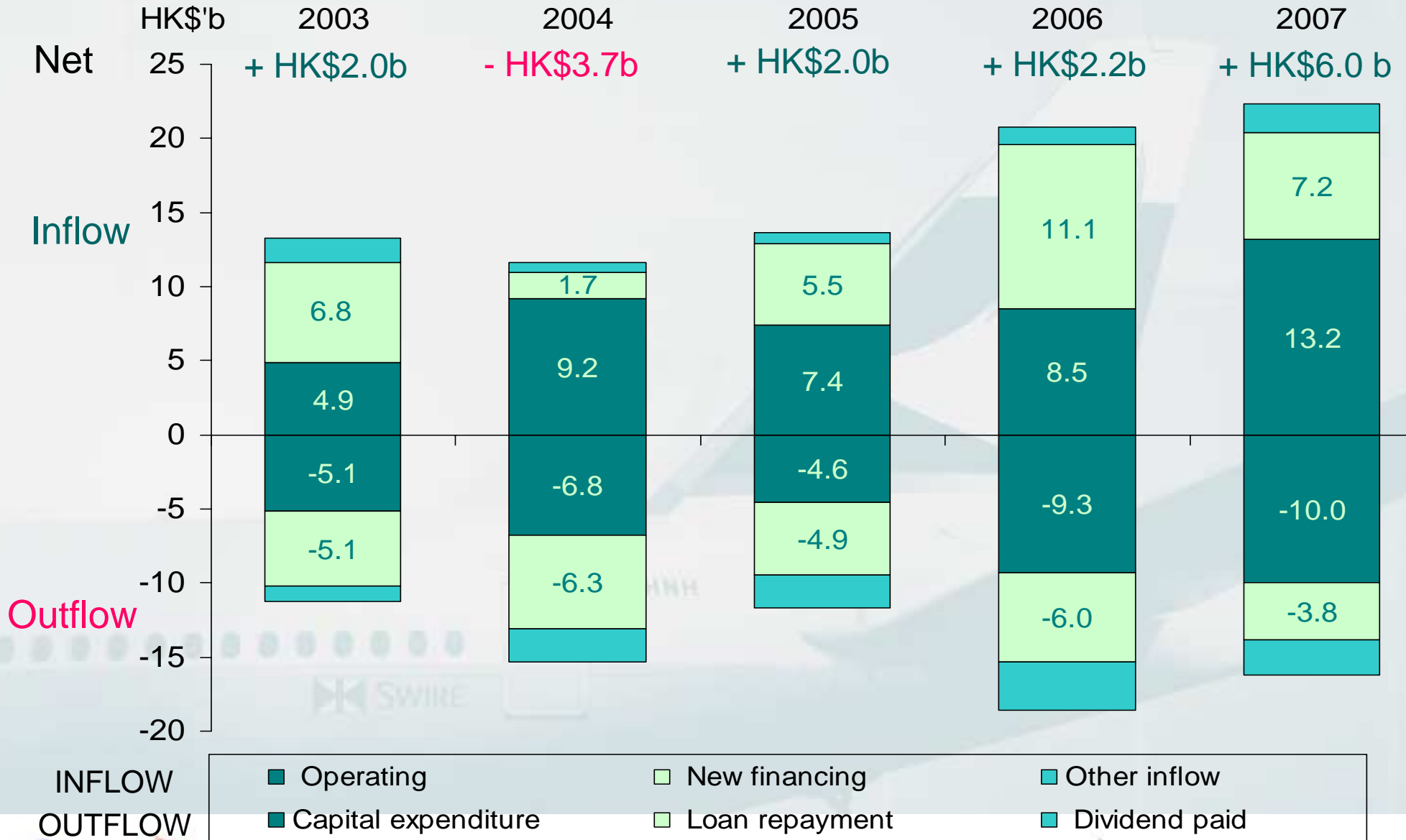


Profit/(Loss) Net debt/equity ratio



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Liquid Fund Flow

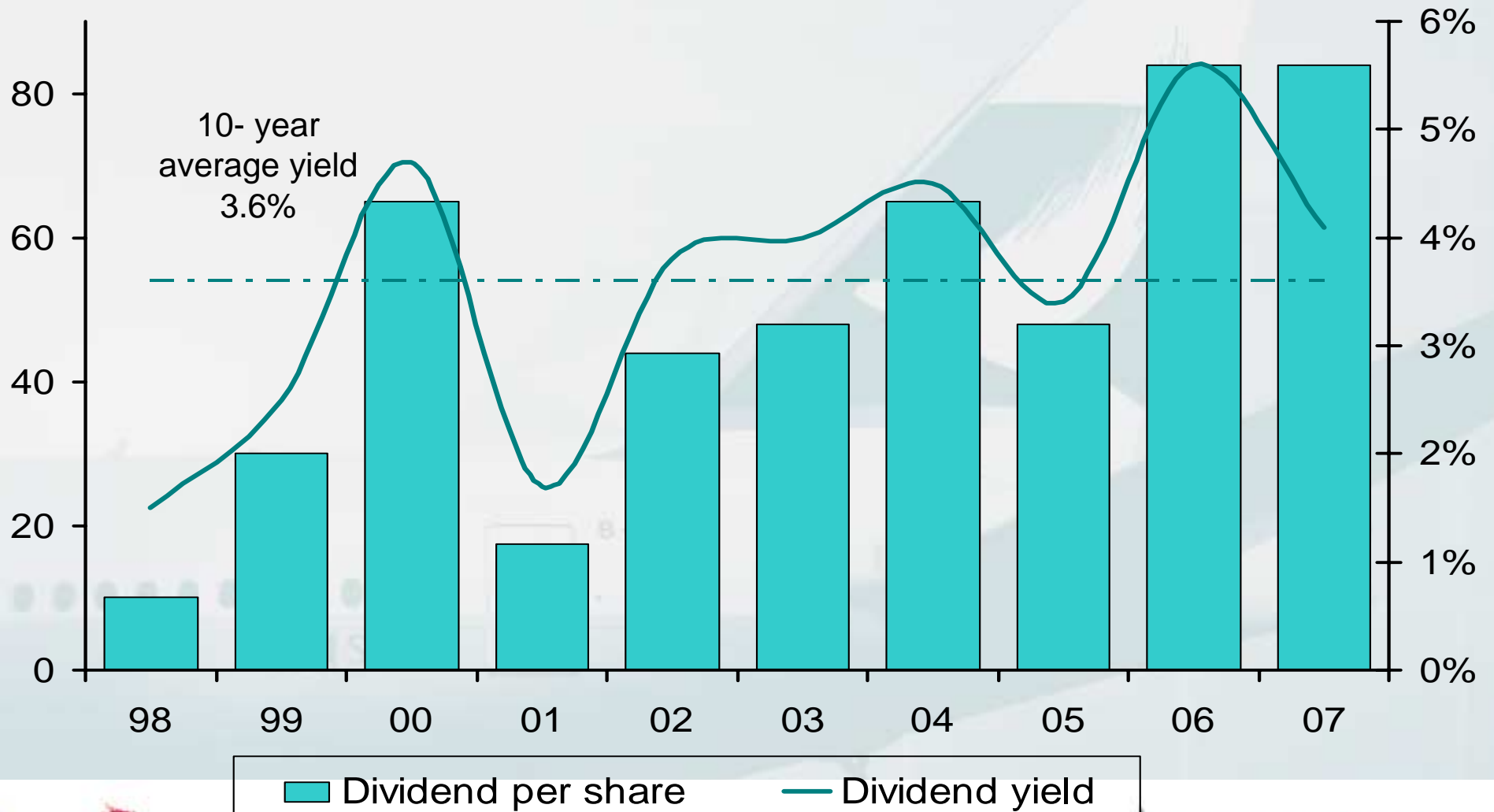


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Dividends

Dividend per share (HK cents)

Dividend yield %



Dividend per share

Dividend yield



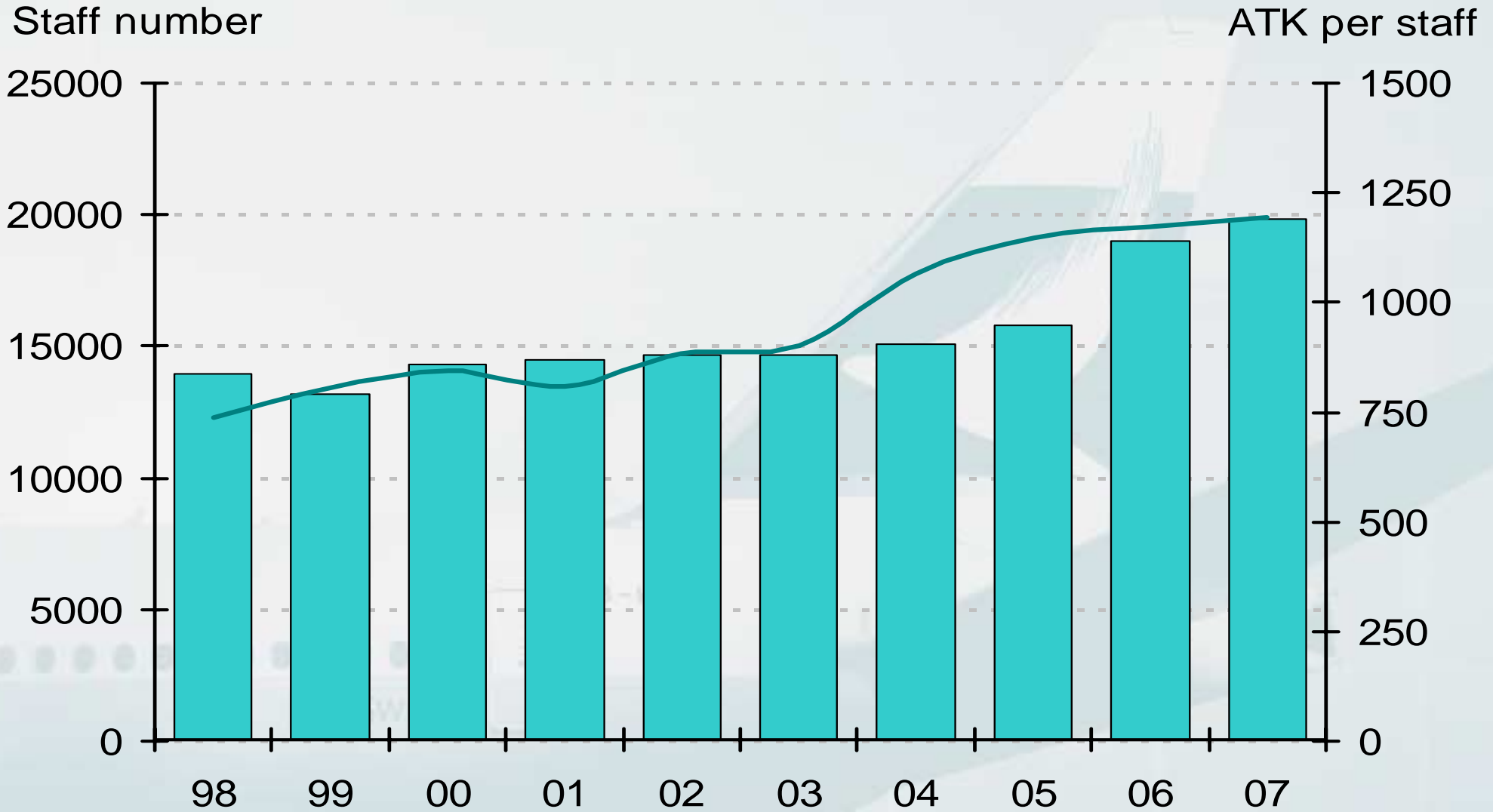
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Productivity Measures

	<u>2007</u>	<u>vs 2006</u>	<u>vs 2006</u> <u>of CX</u>
Cost per ATK - with fuel	HK\$2.32	4.0% up	0.9% down
- without fuel	HK\$1.65	5.1% up	0.7% down
ATK per HK\$1,000 Staff Cost	2,105	4.2% down	2.4% up
Staff Number	19,840	4.5% up	3.8% up
Aircraft Utilisation (Hrs/day)	11.7	6.4% down	0.8% down



ATK per Staff



Staff number

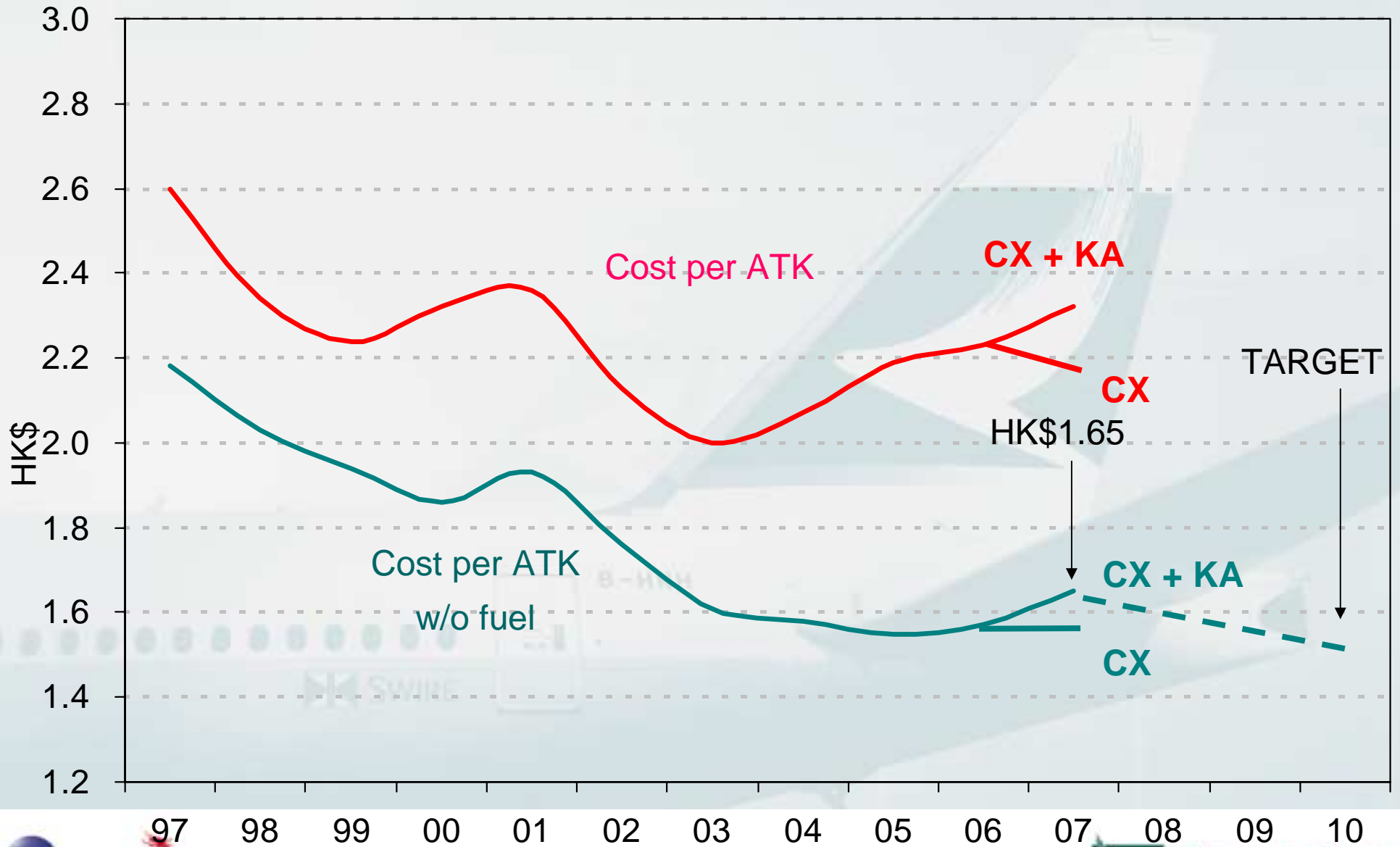
ATK per staff



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Cost per ATK



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