

Cathay Pacific Airways

2007 Interim Results

8 August 2007



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Highlights

- Turnover of HK\$34,631m, up 27.9%
- Group profit of HK\$2,581m, up 54.7%
- Earnings per share HK65.6c, up 33.1%
- Interim dividends HK25c per share, up 25%
- Gross fuel costs up 21.6% to HK\$10,553m
- CX pax load factor up 0.5%pt to 79.6%
- CX pax yield increased by 10.9% to HK50.8c
- CX cargo and mail load factor down 1.4%pt to 66.3%
- CX cargo and mail yield decreased by 8.3% to HK\$1.55



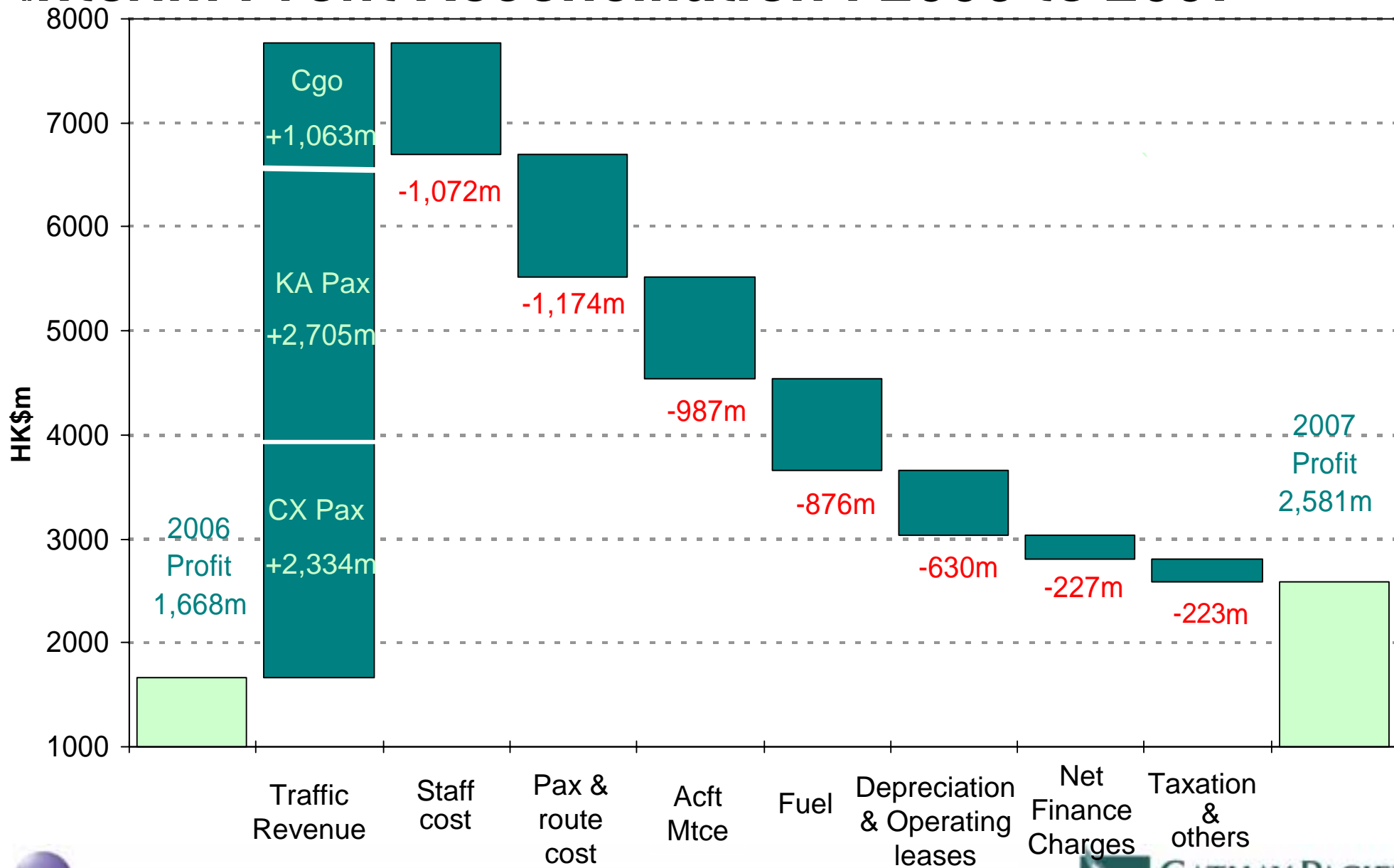
Interim Result

	<u>1H 2007</u>	<u>vs 2006</u>
Group Profit	HK\$2,581m	+ HK\$0.9b
Group Turnover	HK\$34,631m	+ 27.9%
Profit Margin	8.9%	+ 1.6%pts
Return on Capital Employed	4.6%	+0.5%pts
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Available tonne kilometres	10,975m	+ 20.3%
Cost per ATK	HK\$2.30	+5.0%
Cost per ATK (w/o fuel)	HK\$1.69	+ 8.3%
Revenue Load Factor	73.9%	-1.9%pts
Breakeven Load Factor	66.8%	- 2.8%pts



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Interim Profit Reconciliation : 2006 to 2007



Passenger Service - Key Numbers

	<u>1H 2007</u>	<u>vs 2006</u>	<u>vs 2006 of CX</u>	<u>vs 2006 including KA</u>
Turnover	HK\$20,980m	+31.6%	+14.6%	+11.7%
Seat Capacity (ASK)	49,836m	+13.7%	+2.9%	+1.6%
Passenger Number	10,960k	+34.6%	+4.1%	+1.3%
Yield per Revenue Pax Km	HK¢ 53.7	+17.2%	+10.9%	+9.4%
Load Factor	78.1%	-1.0%pts	+0.5%pts	+0.4%pts

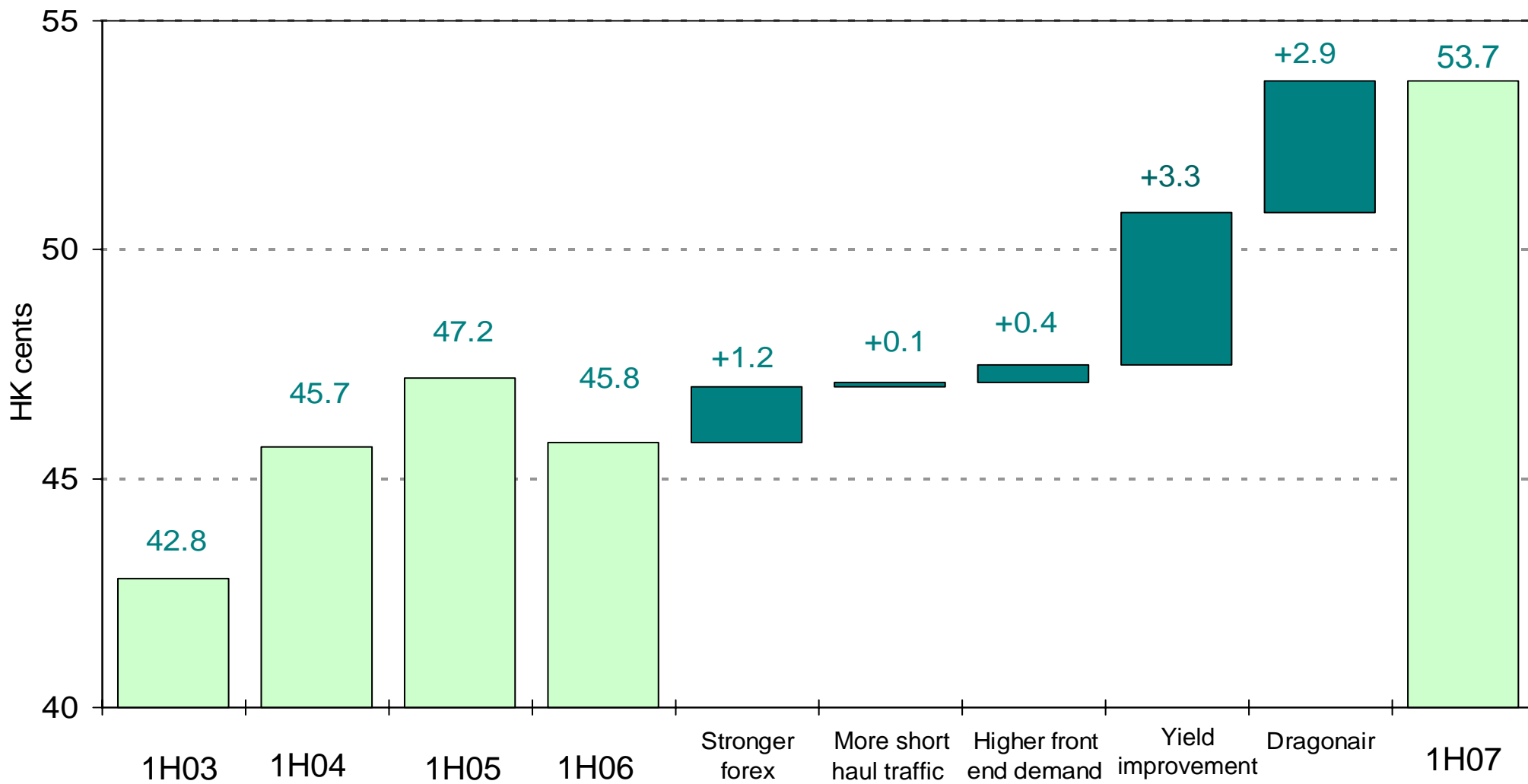


Passenger Service - by Region

CX + KA	ASK (m)	vs 2006	vs 2006 including KA	Load Factor	vs 2006	vs 2006 including KA	Yield Change	Yield Change including KA
SW Pacific & S. Africa	7,168	+1.0%	+1.0%	80.7%	+2.8% pts	+2.8%pts	+14.4%	+14.4%
SE Asia & Middle East	9,566	+6.4%	+2.0%	76.4%	+1.5% pts	+1.8%pts	+9.6%	+9.1%
Europe	9,622	+5.6%	+5.6%	81.4%	-1.8% pts	-1.8%pts	+14.7%	+14.7%
North Asia	11,622	+70.4%	-0.3%	68.4%	-1.6% pts	-	+10.0%	+2.9%
North America	11,858	+0.5%	+0.5%	84.9%	-	-	+13.6%	+13.6%
Systemwide	49,836	+13.7%	+1.6%	78.1%	-1.0% pts	+0.4%pts	+17.2%	+9.4%



Passenger Yield

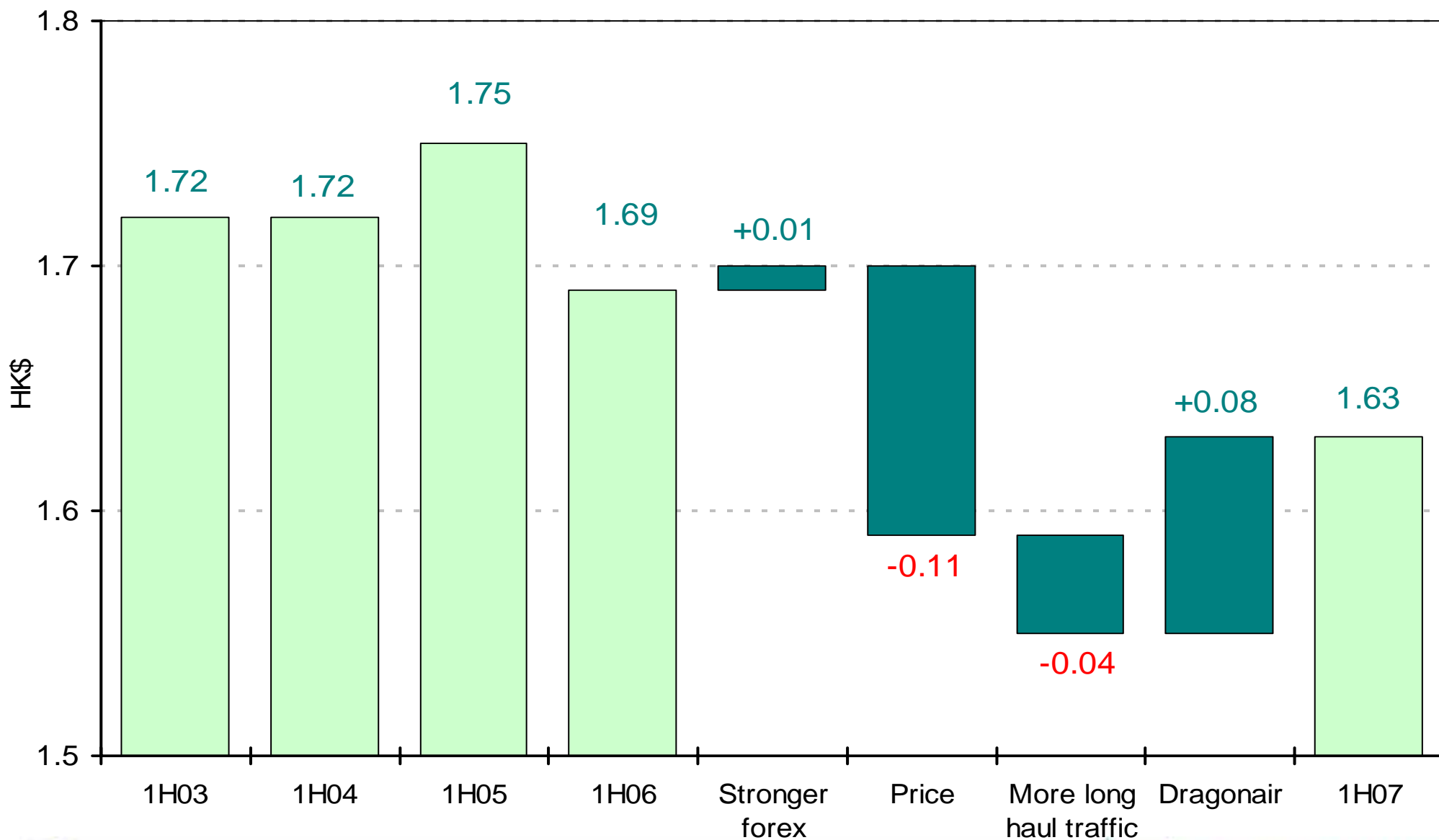


Cargo Service - Key Numbers

	<u>1H 2007</u>	<u>vs 2006</u>	<u>vs 2006</u> <u>of CX</u>	<u>vs 2006</u> <u>including KA</u>
Turnover	HK\$7,377	+16.8%	+4.0%	-4.5%
Cargo Capacity (ACTK)	6,236m	+25.8%	+15.7%	+4.6%
- on passenger aircraft	2,220m	+12.7%	+2.3%	+2.7%
- on freighters	4,016m	+34.4%	+24.6%	+5.6%
Cargo Carried	758k tons	+32.3%	+8.7%	-0.4%
Yield per tonne km	HK\$ 1.63	-3.6%	-8.3%	-5.8%
Load factor	65.3%	-2.4%pts	-1.4%pts	-3.1%pts



Cargo Yield



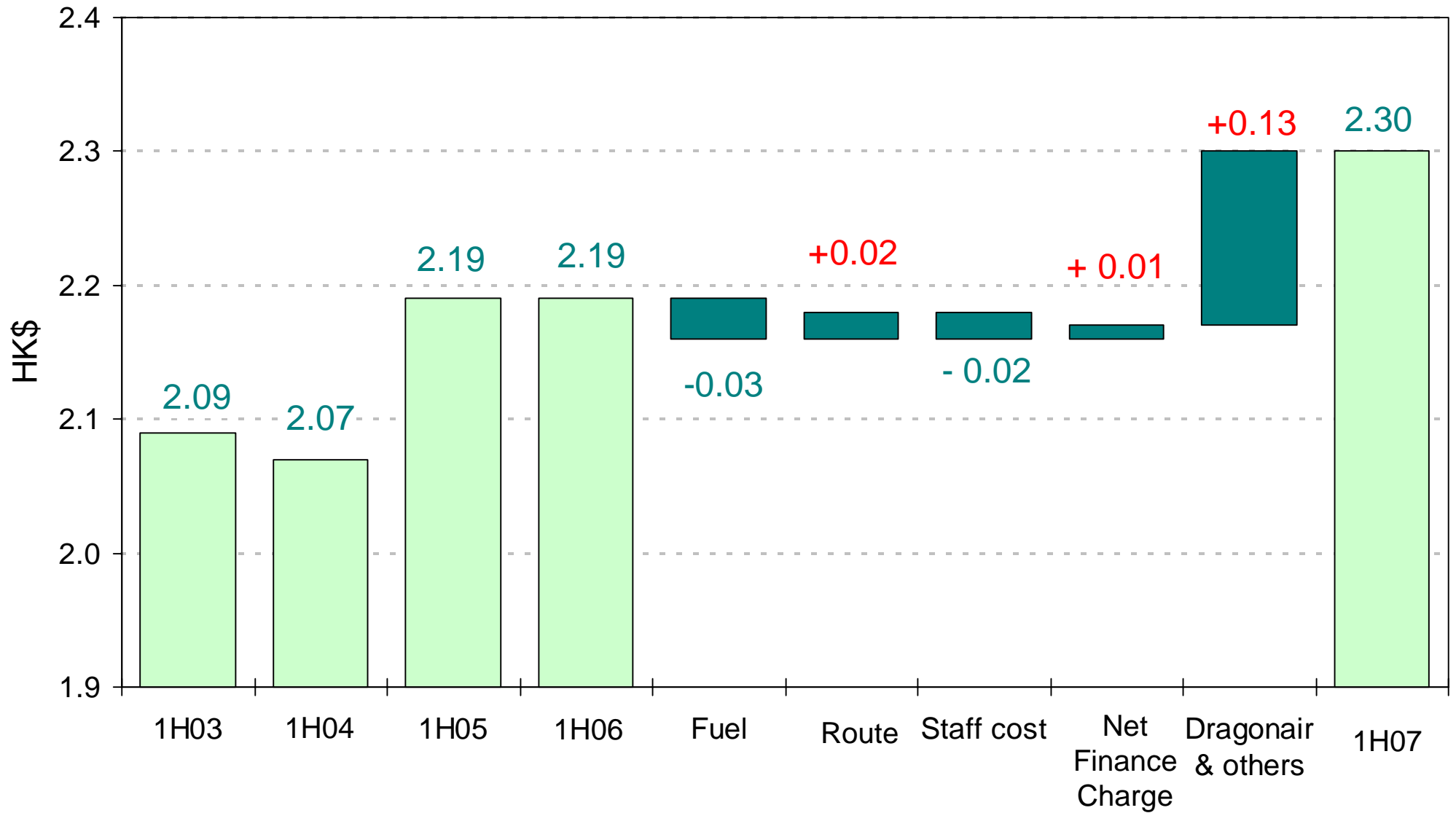
Net Operating Cost

	<u>1H 2007</u>	<u>vs 2006</u>	<u>vs 2006</u> <u>of CX</u>
Staff	5,781	+22.8%	+5.1%
Inflight service & passenger	1,150	+26.8%	+6.7%
Landing, parking & route	4,119	+29.2%	+15.0%
Fuel	6,772	+14.9%	+4.7%
Aircraft maintenance	3,499	+39.3%	+12.8%
Depreciation & lease	3,455	+22.3%	+8.6%
Net finance charges	404	+128.2%	+99.2%
Others	1,107	+42.1%	+7.6%
Net Operating Cost HK\$m	26,287	+25.2%	+8.7%

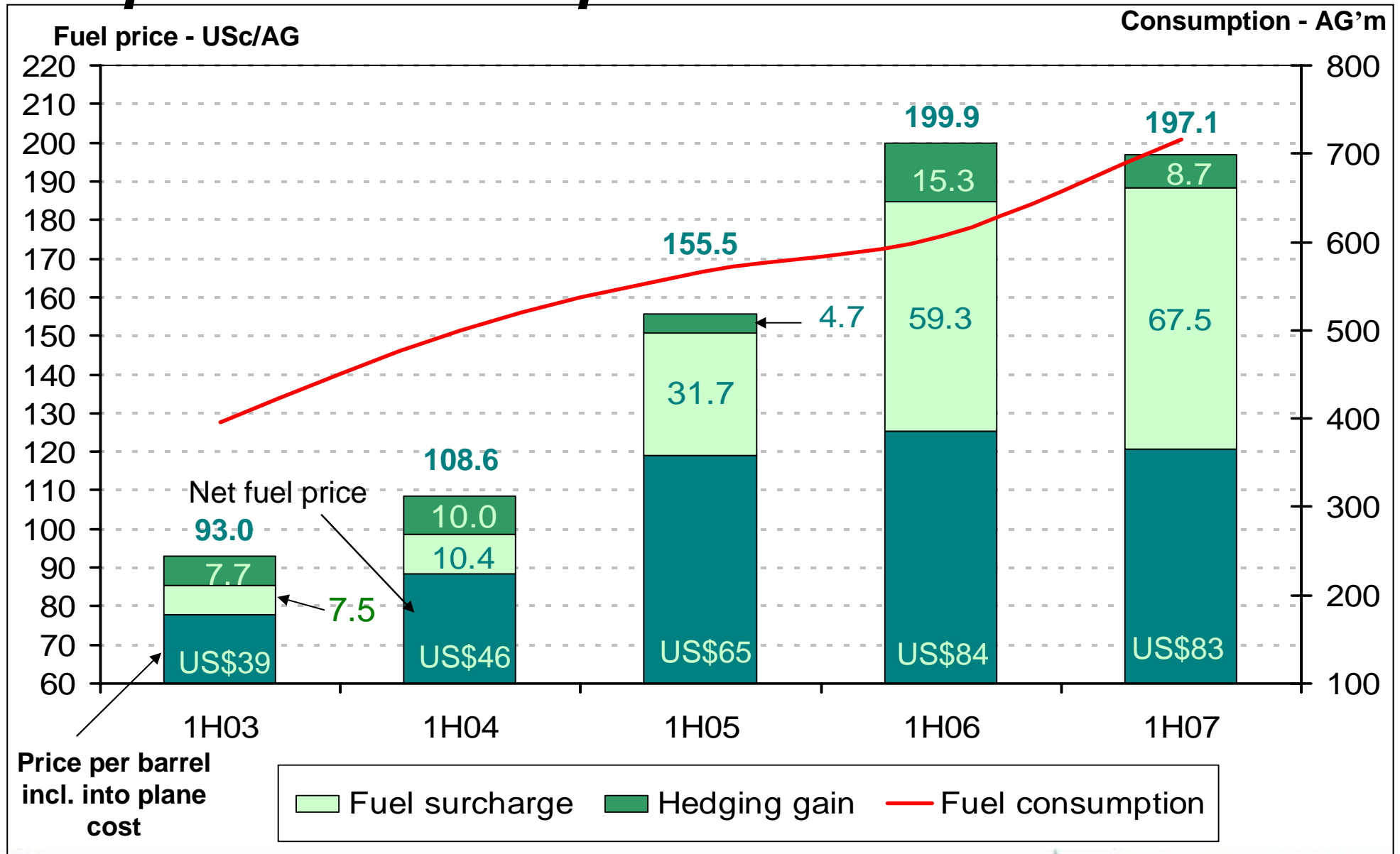


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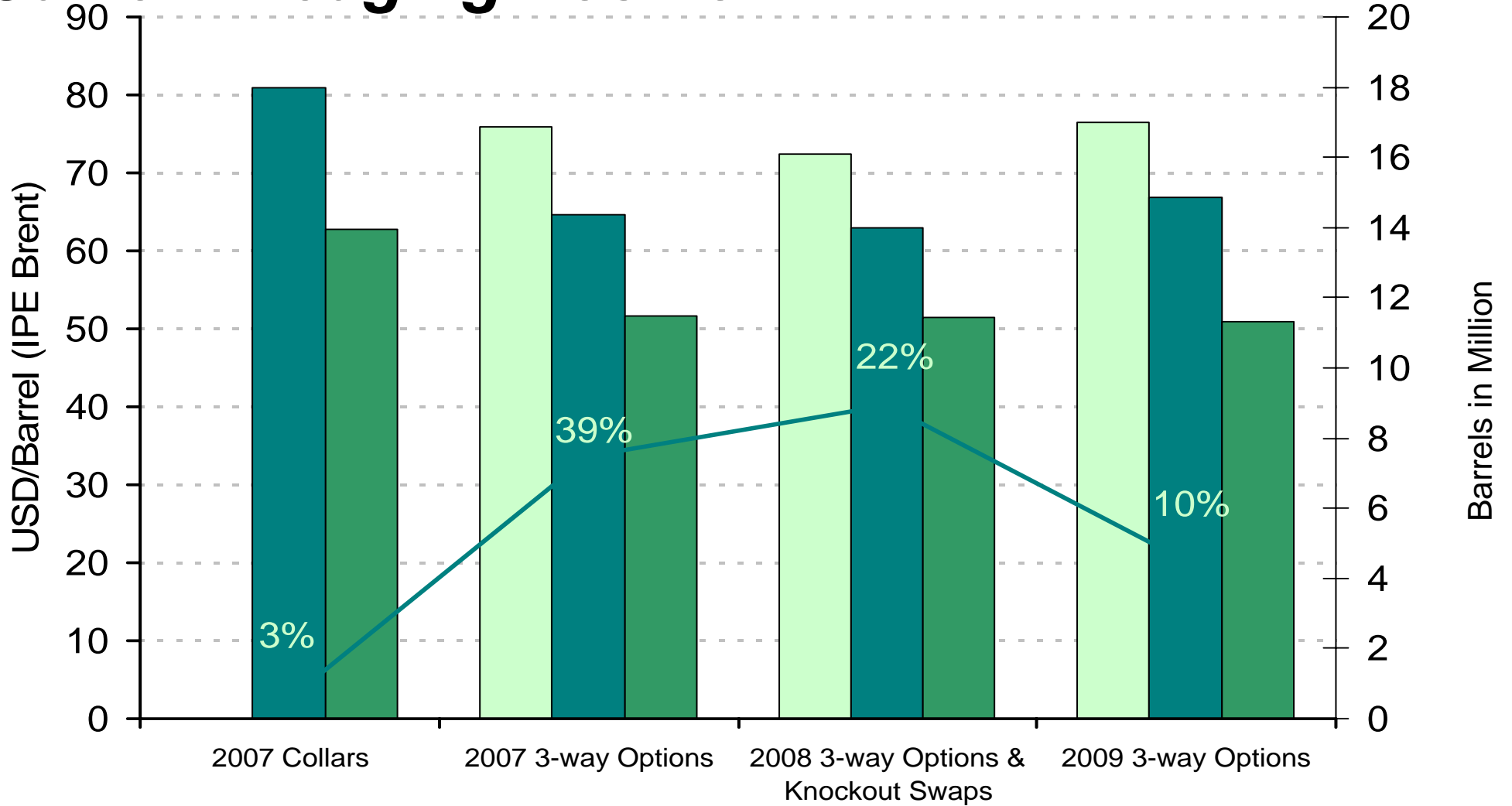
Cost per ATK



Fuel price & consumption



Current Hedging Position



Call Written
 Call Bought
 Put Written
 Volume Hedged / % age of volume hedged



Balance Sheet

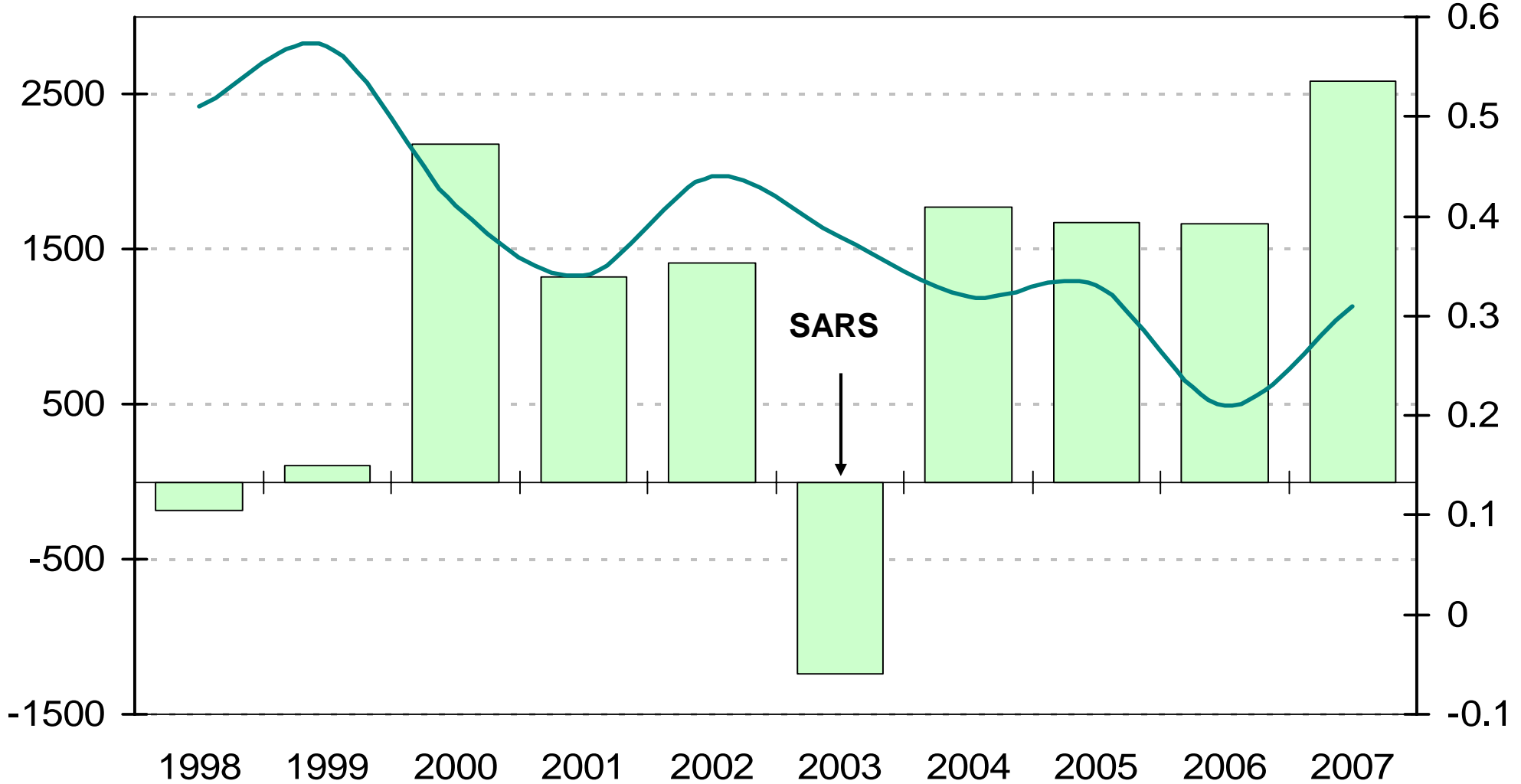
	<u>Jun 2007</u>	<u>Dec 2006</u> <u>(restated)</u>	<u>vs Dec 2006</u>
Shareholders' Funds	HK\$46,745m	HK\$45,411m	2.9%up
Gross Borrowings	HK\$32,499m	HK\$31,943m	1.7%up
Less:			
Liquid Funds	HK\$(17,856m)	HK\$(15,595m)	14.5%up
Net Borrowings	HK\$14,643m	HK\$16,348m	10.4%down
Capital Employed	HK\$61,388m	HK\$61,759m	0.6%down
Net Debt/Equity Ratio	0.31	0.36	-0.05 times
Goodwill from purchase of Dragonair	HK\$7,227m	HK\$7,227m	-
Investment in Air China	HK\$7,573m	HK\$7,464m	1.5%up



Interim Profit & Net Debt/Equity Ratio

Profit / (loss) - HK\$ m

D/E ratio - times



Profit/(Loss)

Net debt/equity ratio



Productivity Measures

	<u>1H 2007</u>	<u>vs 2006</u>	<u>vs 2006</u> <u>of CX</u>
Cost per ATK - with fuel	HK\$2.30	5.0%up	0.9%down
- without fuel	HK\$1.69	8.3%up	0.6%up
ATK per HK\$1,000 Staff Cost	2,103	1.5% down	4.4%up
Staff Number	19,207	18.8%up	2.1%up
Aircraft Utilisation (Hrs/day)	11.7	7.9%down	-



Cost per ATK - First Half

