

# *Cathay Pacific Airways*

## *2005 Annual Results*



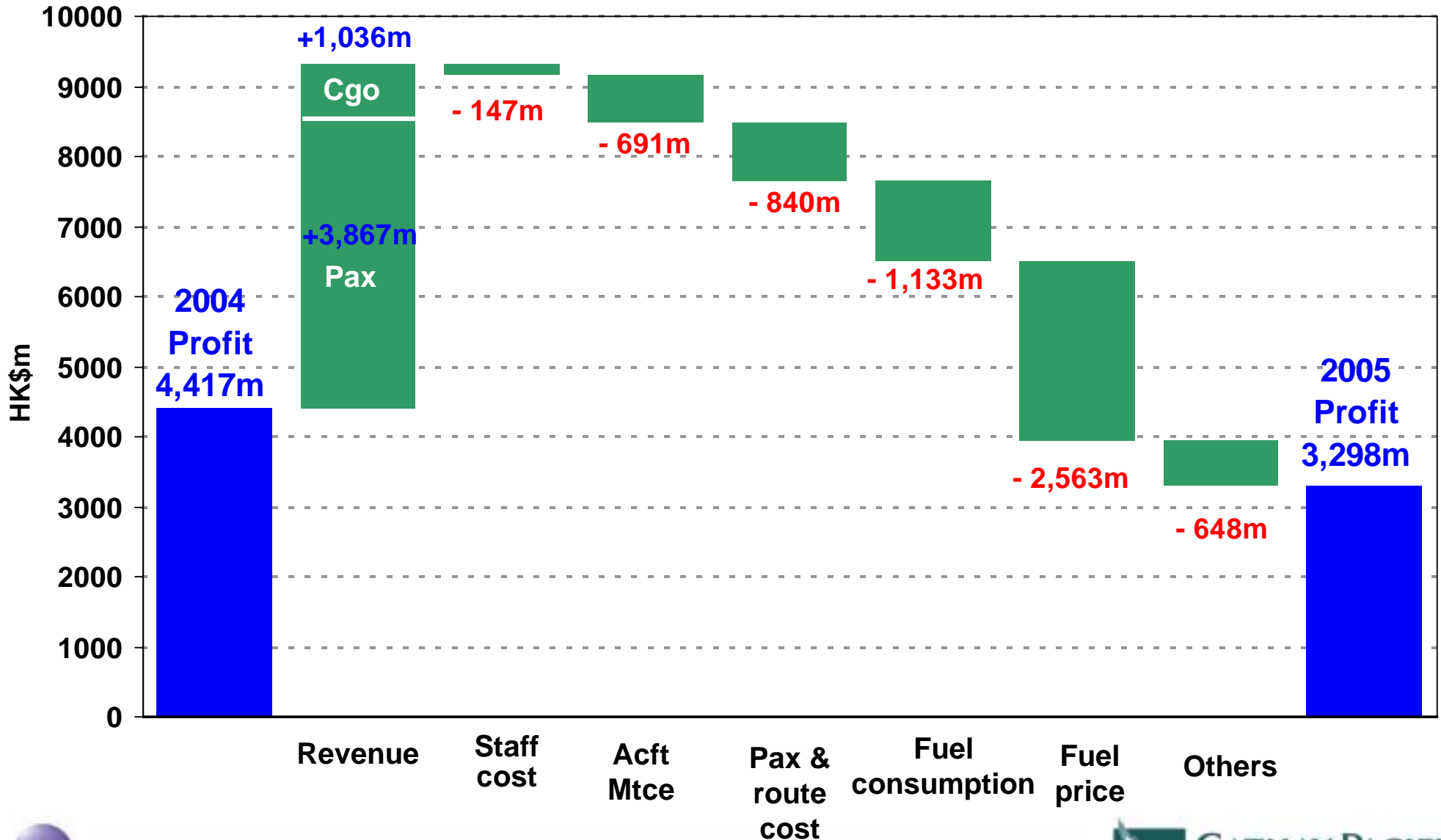
*8th March 2006*

# Annual Result Highlights

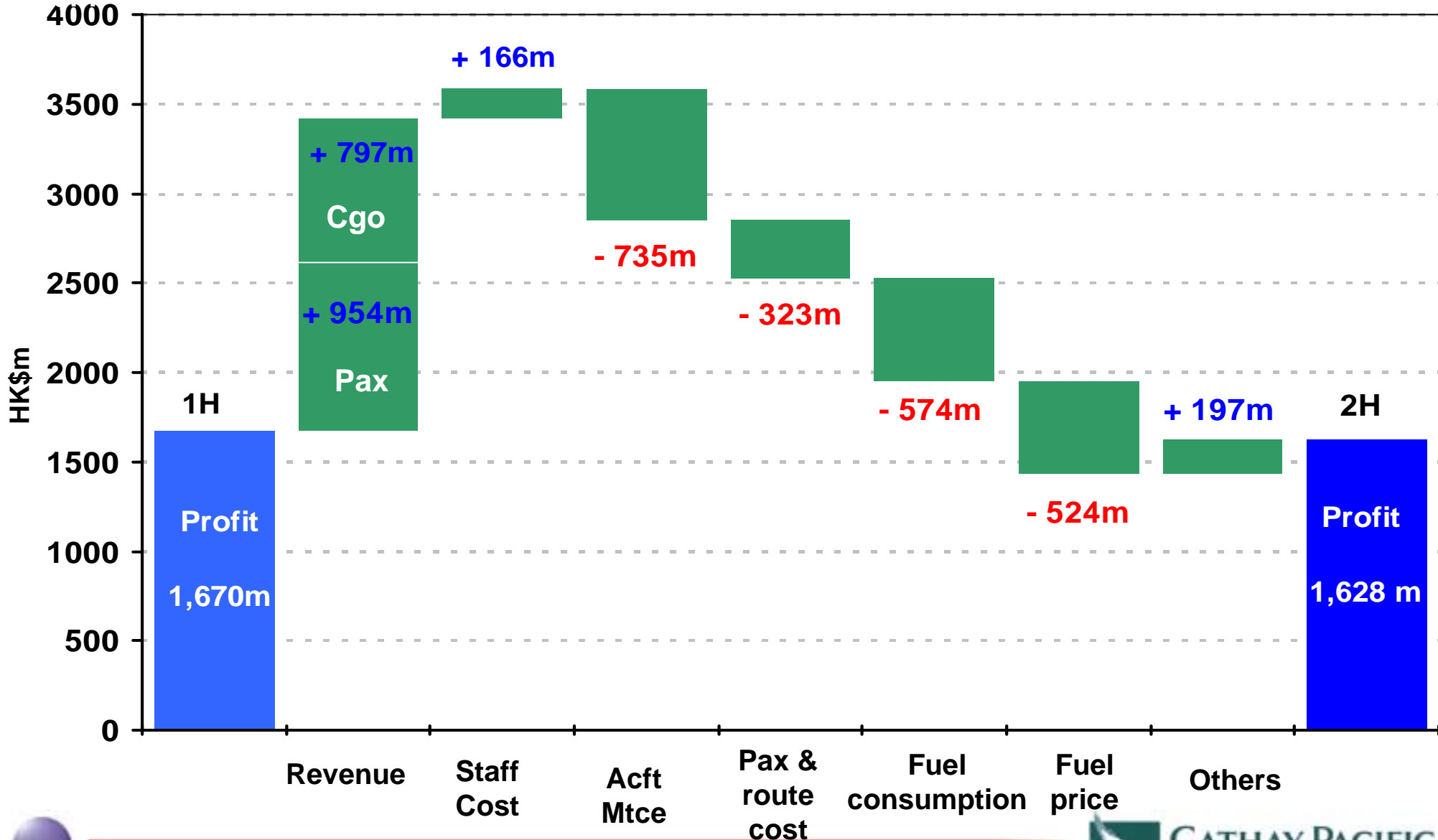
	<u>FY 2005</u>	<u>vs 2004</u>
<b>Group Profit</b>	<b>HK\$3,298m</b>	<b>- HK\$1.1b</b>
<b>Group Turnover</b>	<b>HK\$50,909m</b>	<b>+ 19.1%</b>
<b>Profit Margin</b>	<b>7.4%</b>	<b>- 3.9%pts</b>
<b>Dividend per Share</b>	<b>HK¢ 48</b>	<b>- 26.2 %</b>
<hr/>		
<b>Available tonne kilometres</b>	<b>17,751 m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



# Profit Reconciliation : 2004 to 2005



# Profit Reconciliation : 2H vs 1H



# Passenger Service - Key Numbers

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



CATHAY PACIFIC

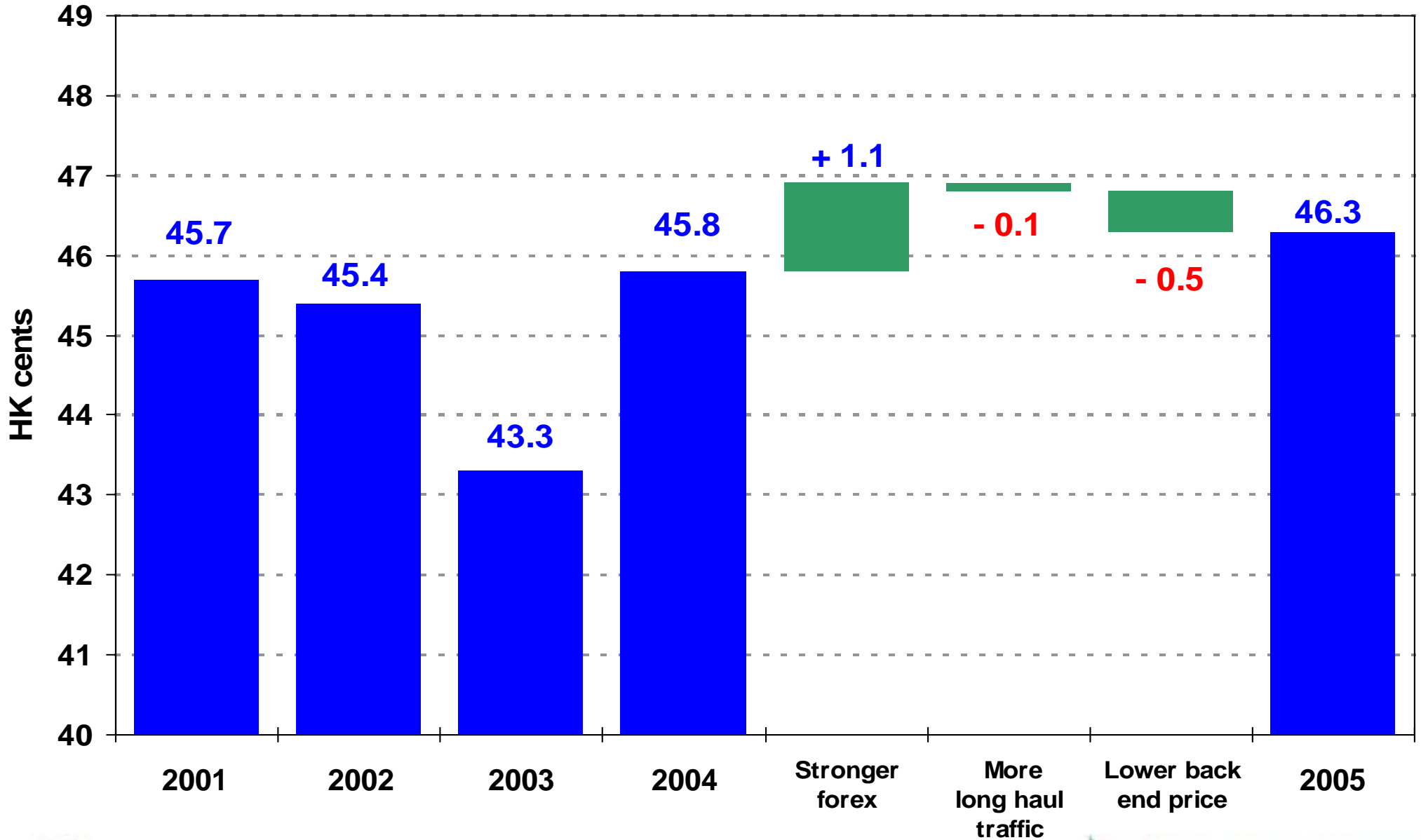
# Passenger Service - by Region

	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



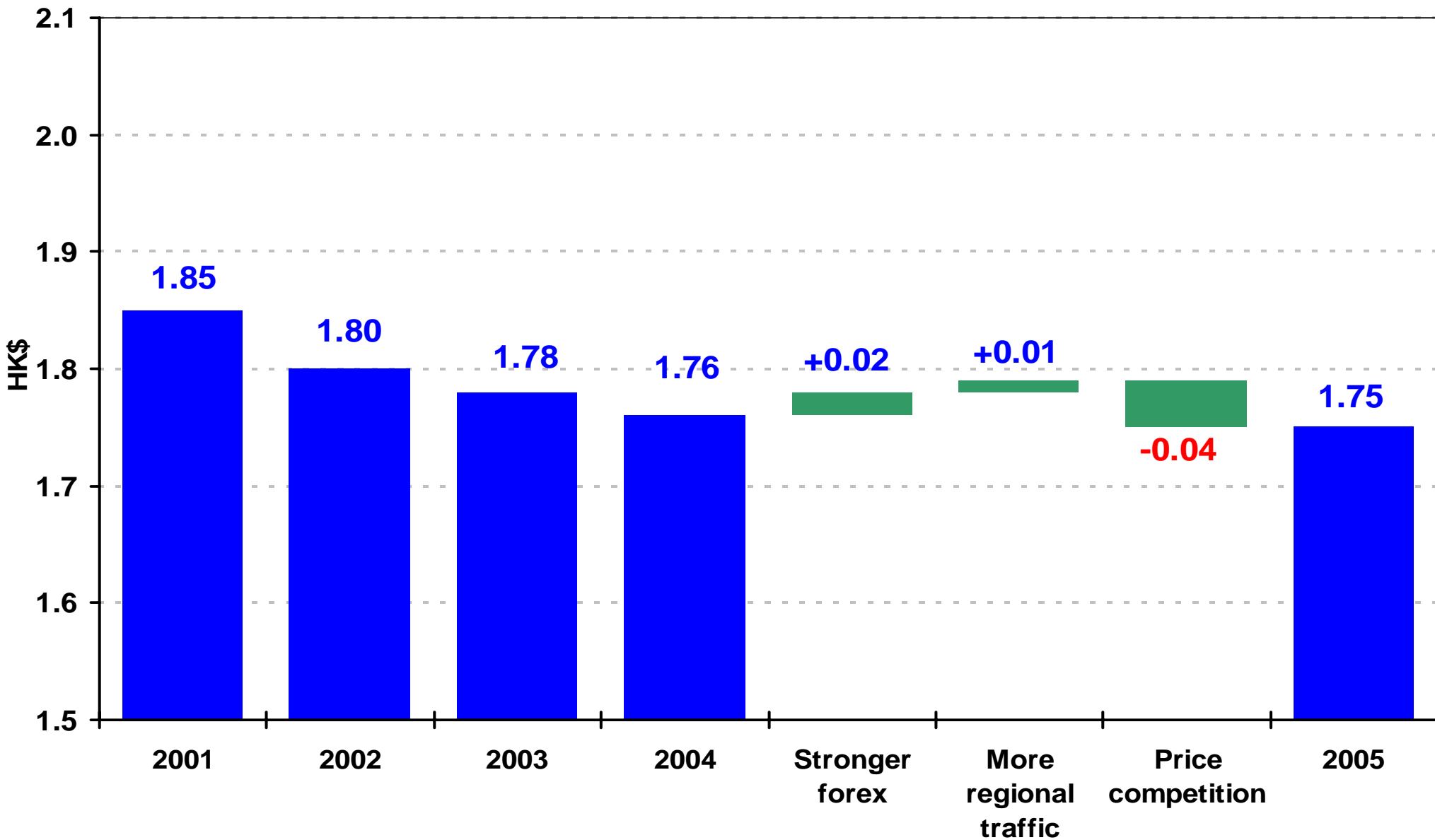
# Cargo Service - Key Numbers

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





# 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%
<b>CX - Net Operating Cost</b> <small>HK\$m</small>	<b>38,866</b>	<b>32,737</b>	<b>+ 18.7%</b>

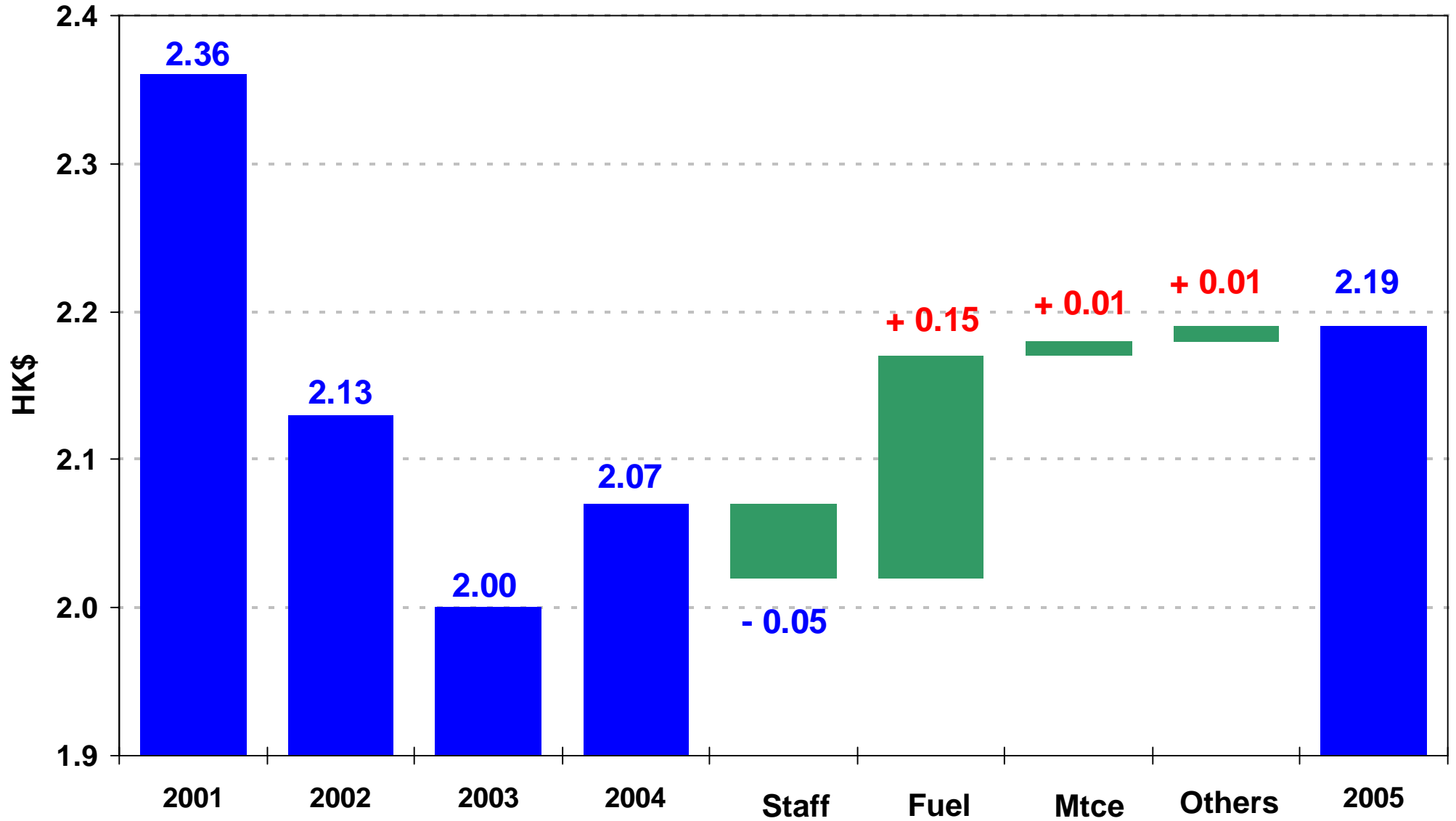


# Cathay Pacific - Change in % of Cost

	<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
<b>Total</b>	<b>100%</b>	<b>100%</b>	



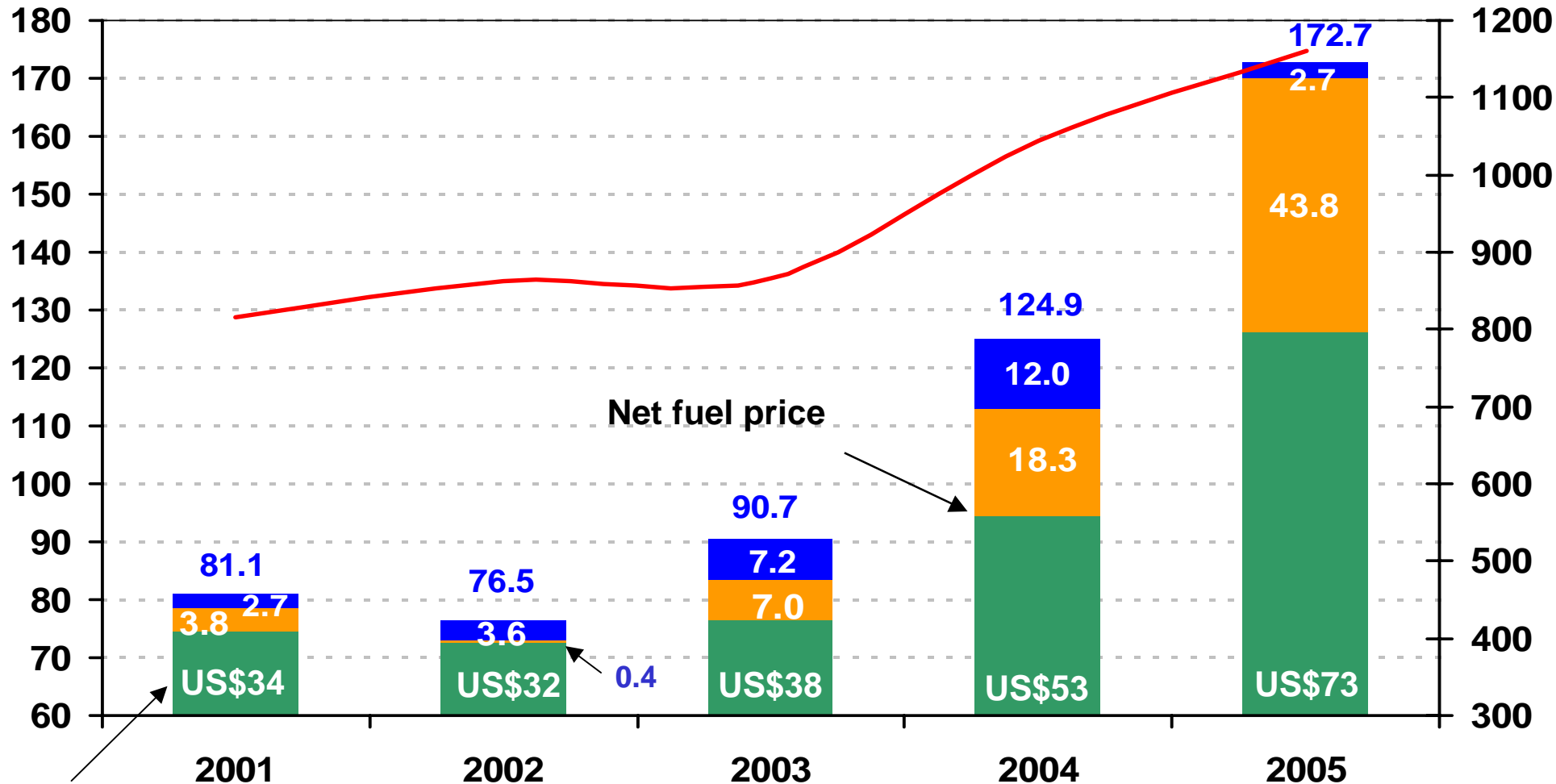
# Cost per ATK



# Fuel price & consumption

Fuel price - USc/AG

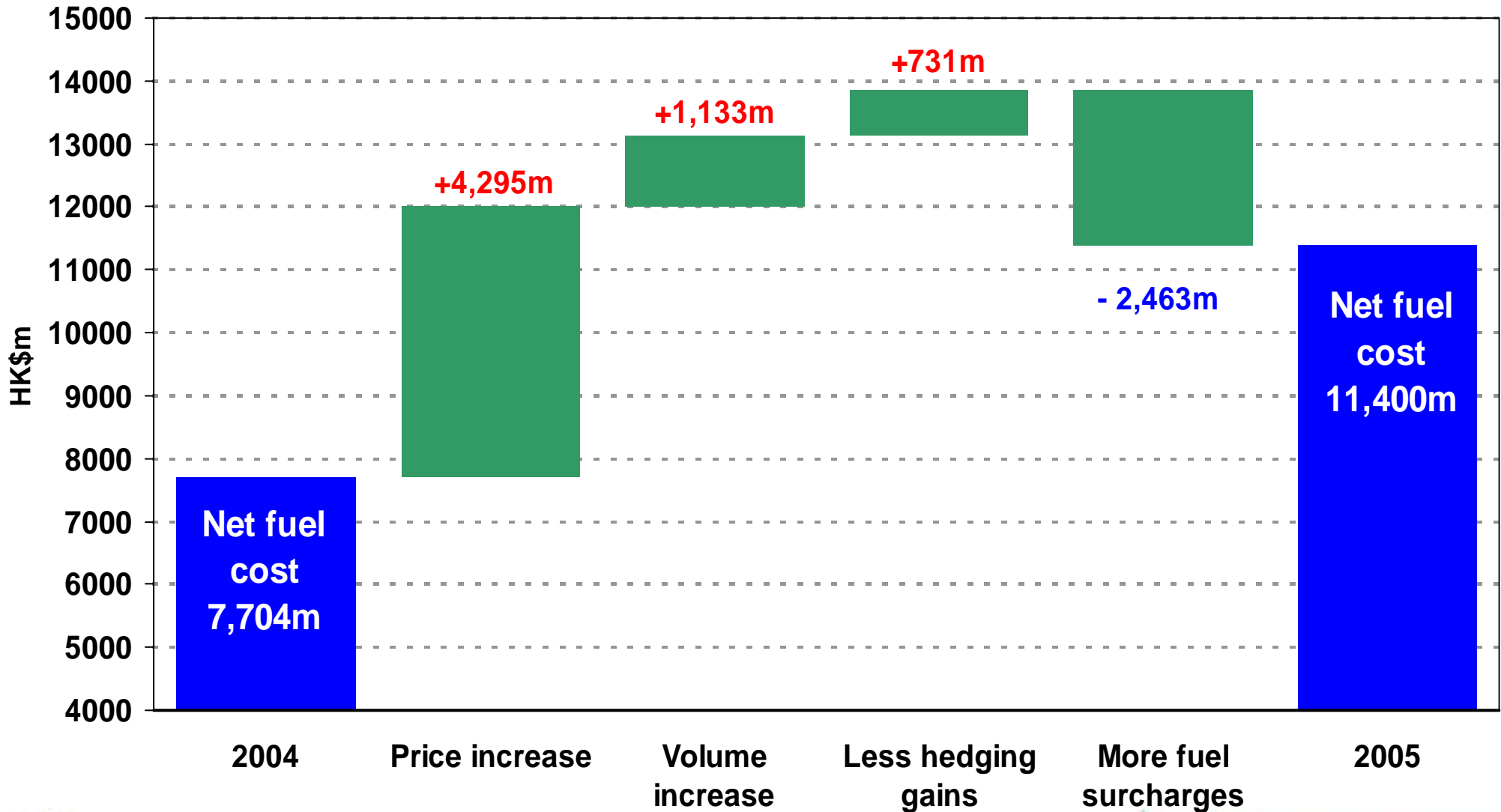
Consumption - AG'm



Price per barrel incl. into plane cost



# Impact of higher fuel cost in 2005

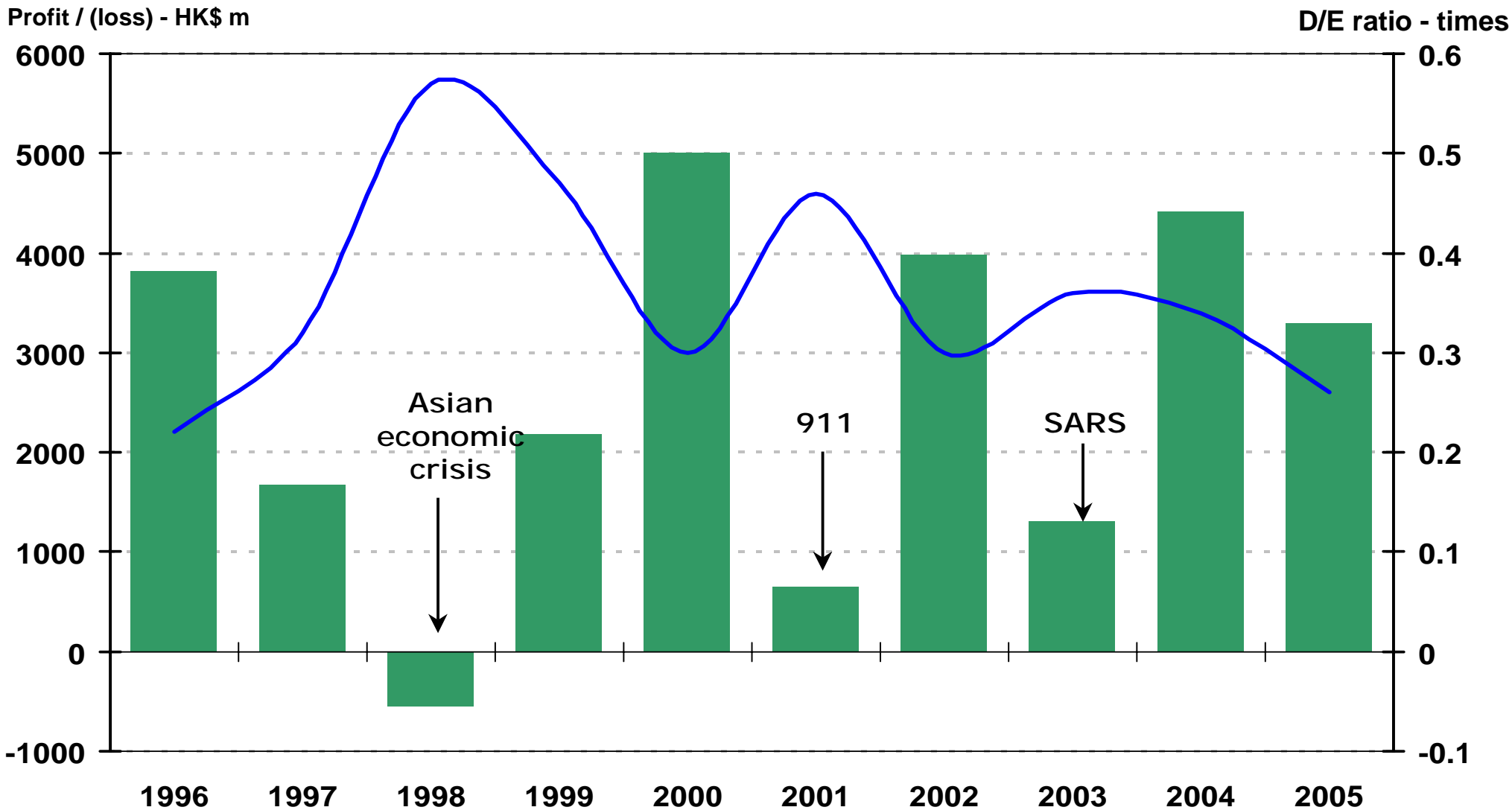


# Balance Sheet

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



# Profit & 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

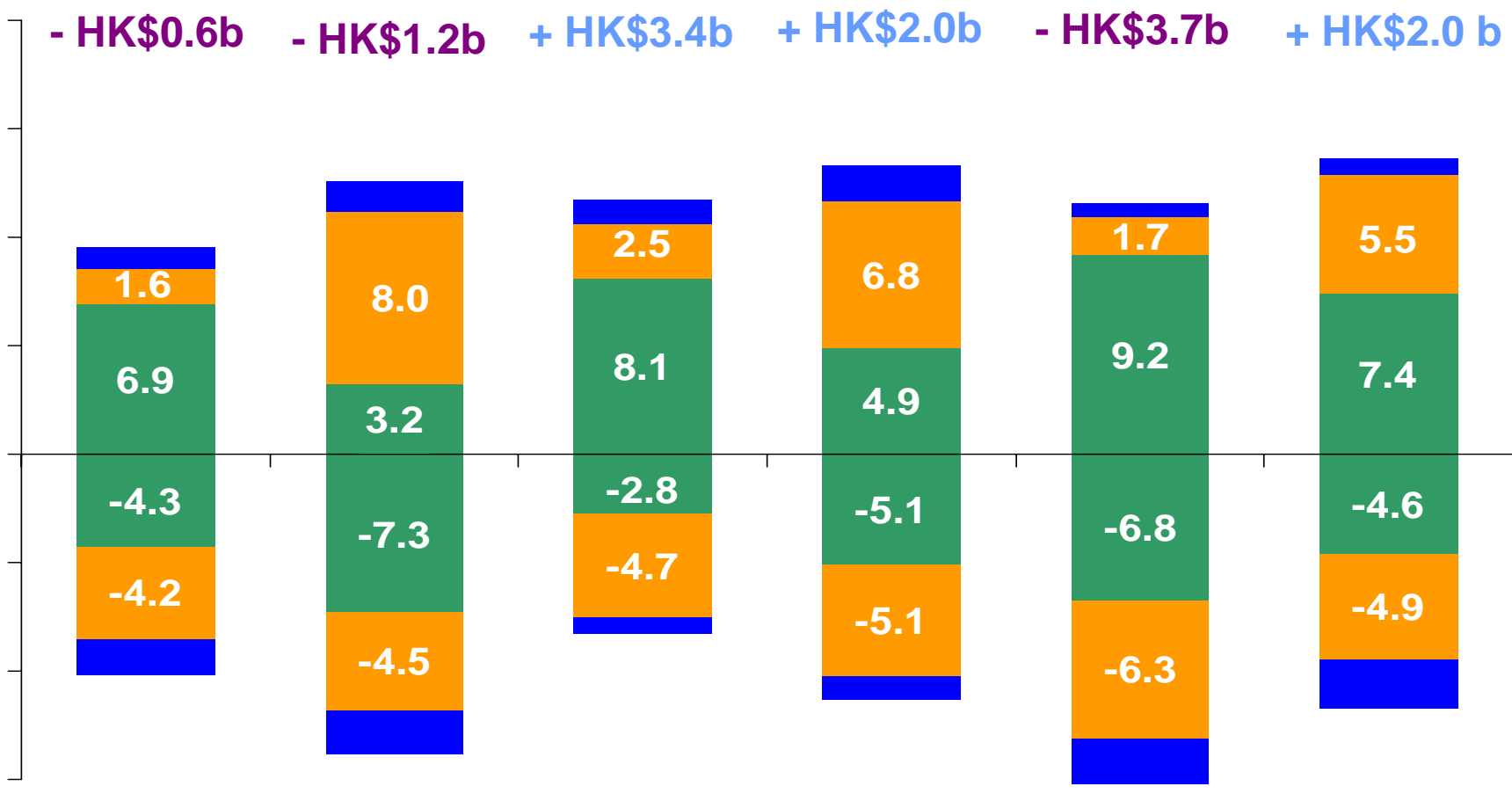
0

-5

-10

-15

Outflow



INFLOW

Operating

New financing

Other inflow

OUTFLOW

Capital expenditure

Loan repayment

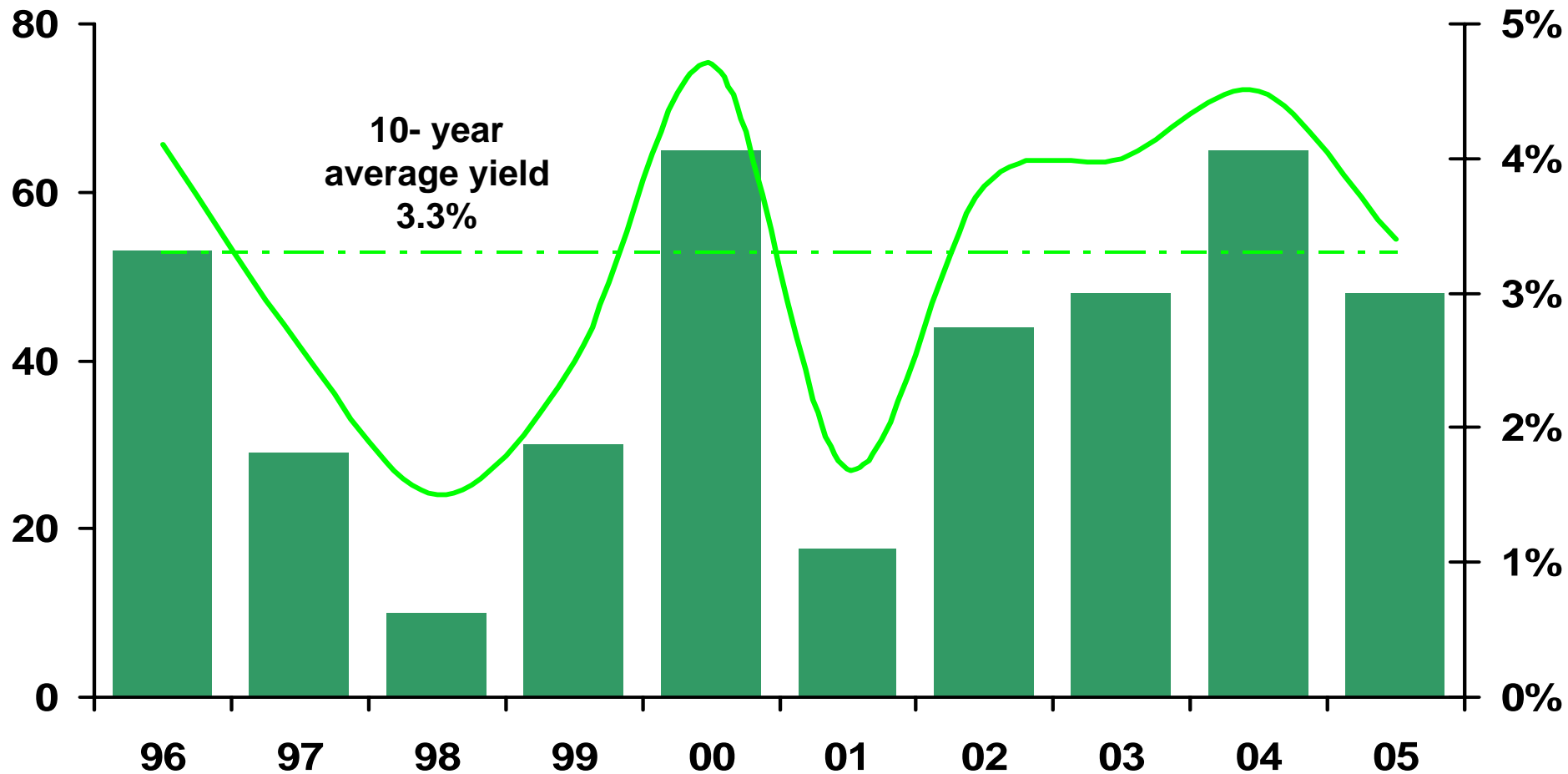
Dividend paid



# Dividends

Dividend per share (HK cents)

Dividend yield %



■ Dividend per share    — Dividend yield



# *Productivity Measures*

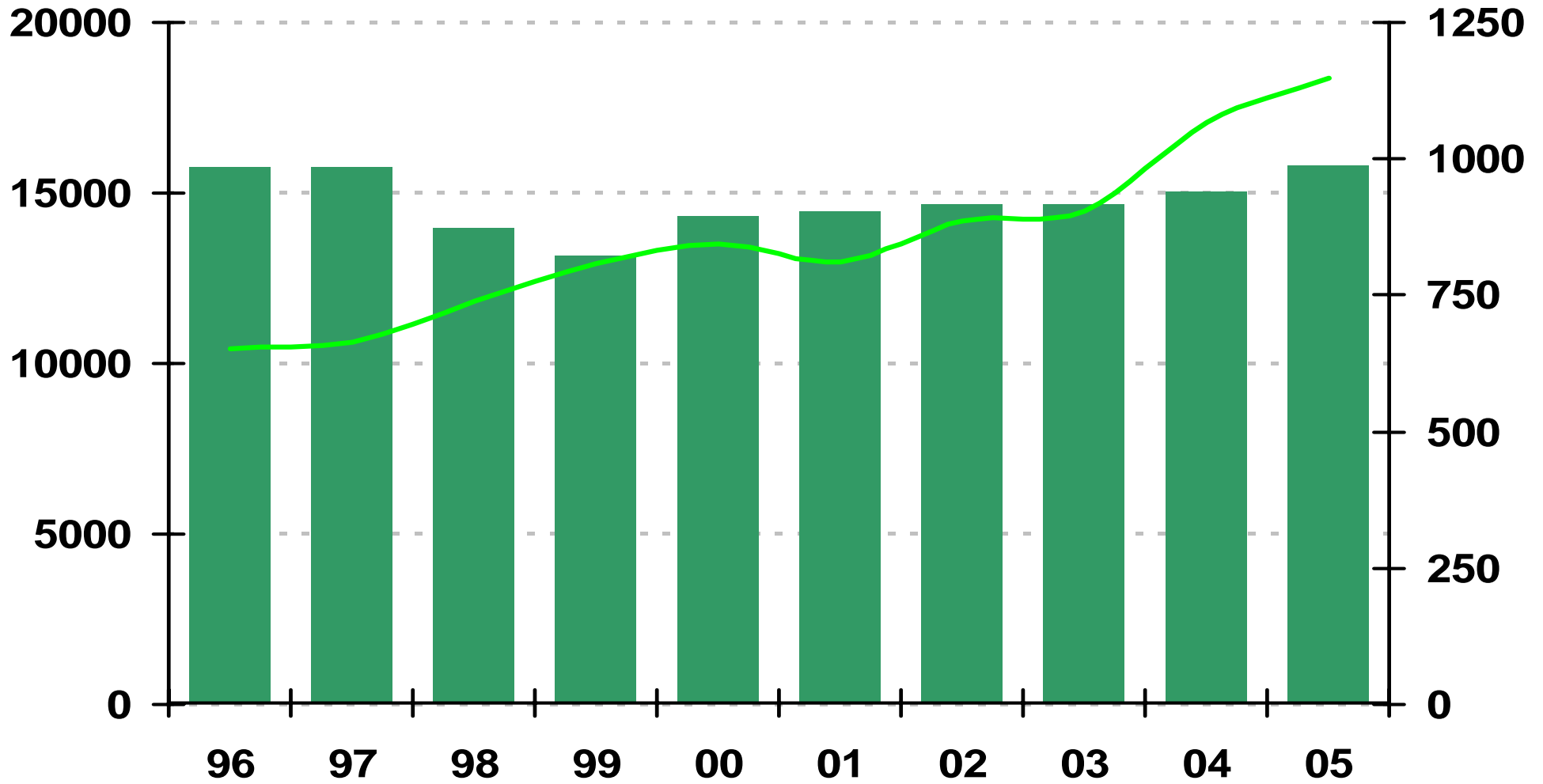
	<u>2005</u>	<u>vs 2004</u>
<b>Cost per ATK - with fuel</b>	<b>HK\$2.19</b>	<b>5.8% up</b>
<b>- without fuel</b>	<b>HK\$1.55</b>	<b>1.9% down</b>
<b>ATK per HK\$1,000 Staff Cost</b>	<b>2,183</b>	<b>10.4% up</b>
<b>Staff Number</b>	<b>15,806</b>	<b>5.0% up</b>
<b>Aircraft Utilisation (Hrs/day)</b>	<b>12.6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



# ATK per Staff

Staff number

ATK per staff



# Cost per ATK

