

Cathay Pacific Airways

2005 Interim Results



10th August 2005

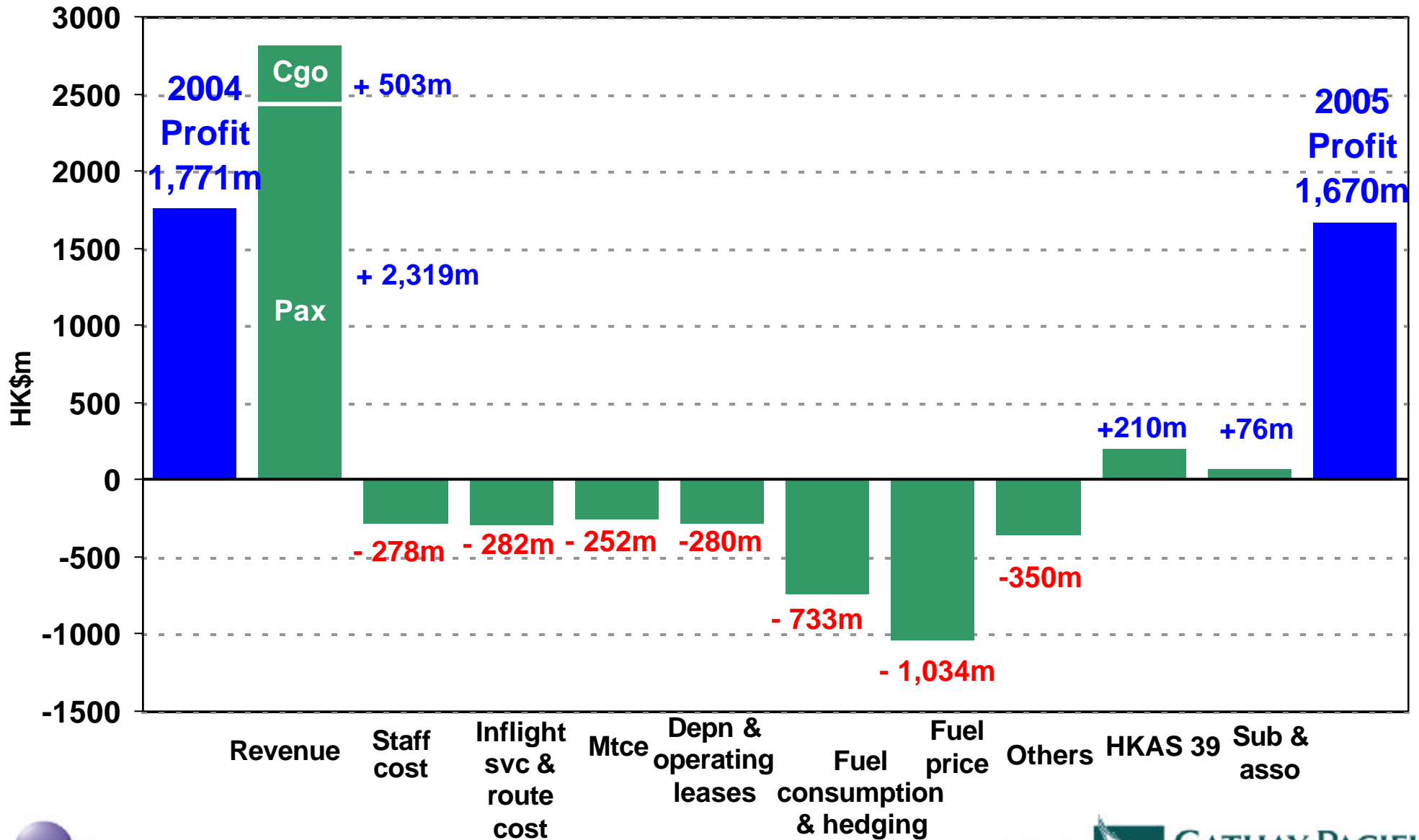
Interim Result Highlights

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

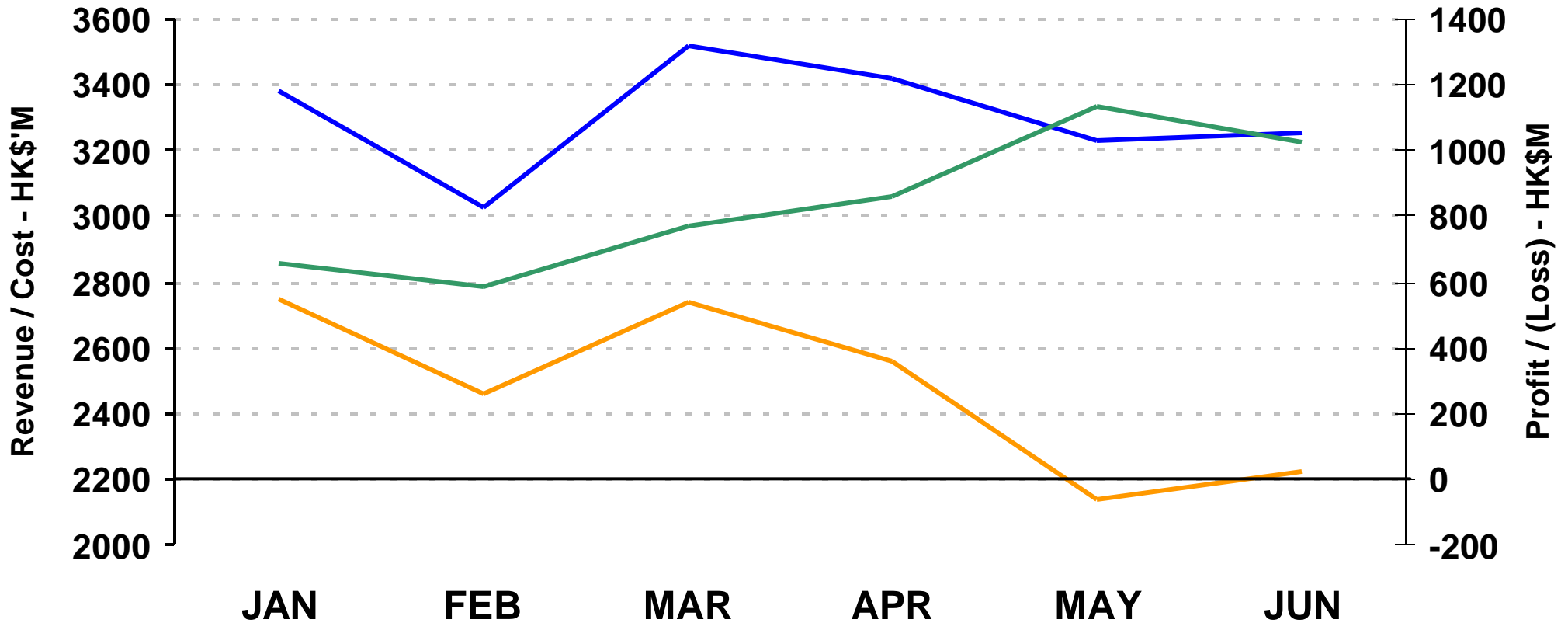


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Interim Profit Reconciliation : 2004 to 2005



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 |
|---------------------|-------|-------|-------|-------|-------|-------|



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 | | |



Passenger Service - Key Numbers

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



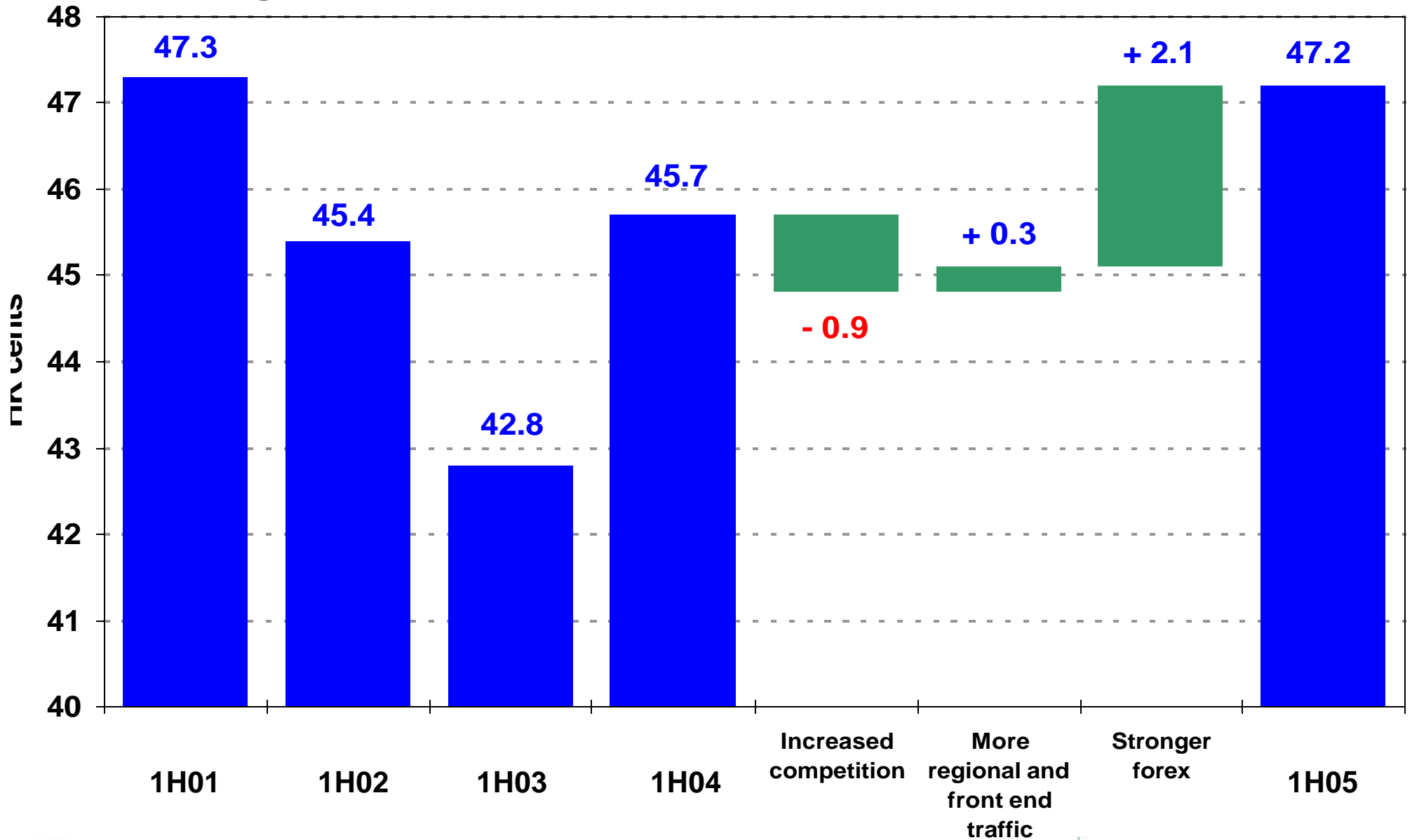
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Passenger Service - by Region

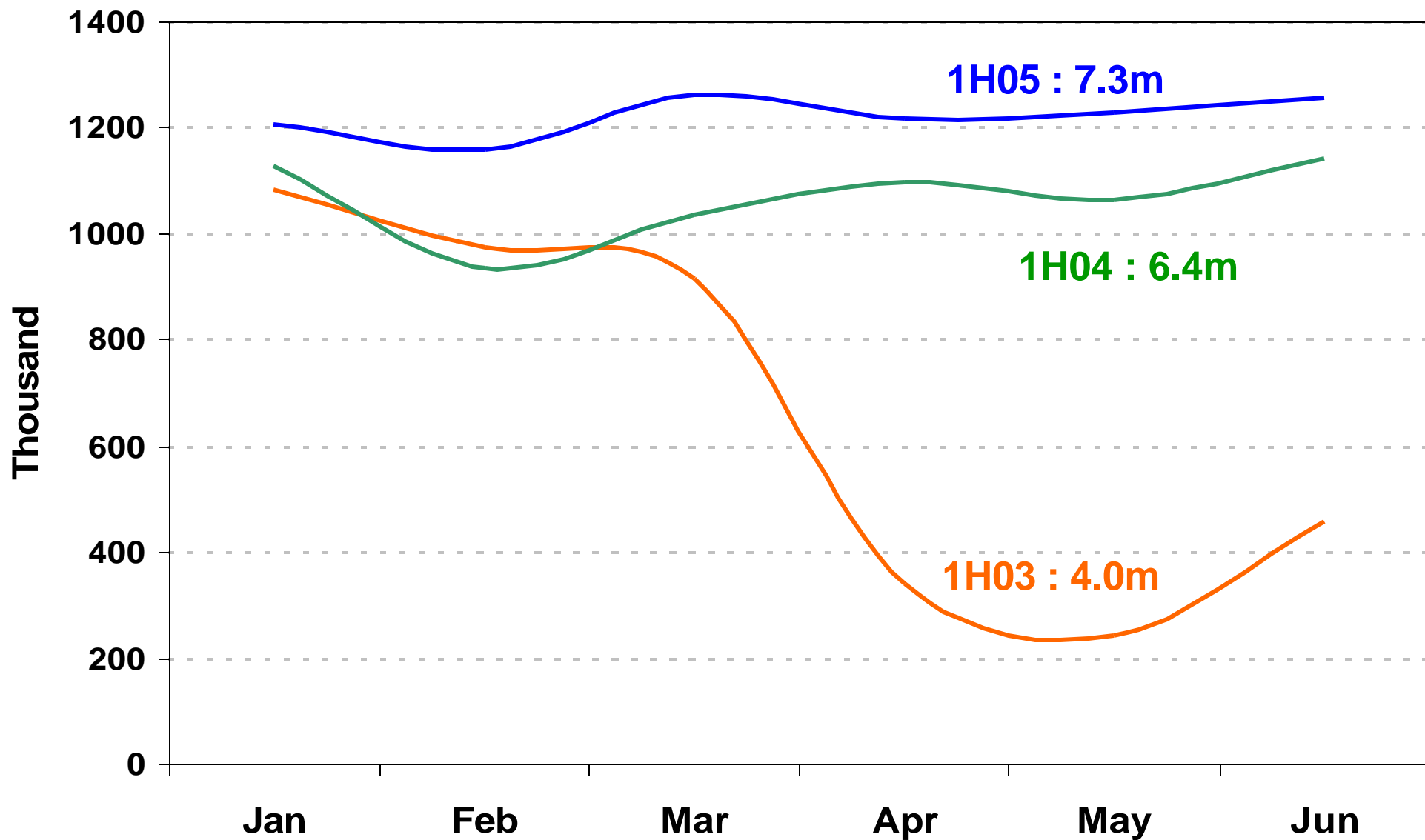
| | ASK | vs 2004 | Load Factor | vs 2004 | Yield Change |
|------------------------|----------------|---------------|--------------|-------------------|--------------|
| North Asia | 6,365m | +5.8% | 69.6% | +8.1% pts | +2.8 % |
| SW Pacific & S. Africa | 7,310m | +24.2% | 72.6% | +0.5% pts | - 2.9% |
| 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% |
| Systemwide | 39,535m | +12.2% | 78.1% | + 2.0% pts | +3.3% |



Passenger Yield



Monthly Passenger Number



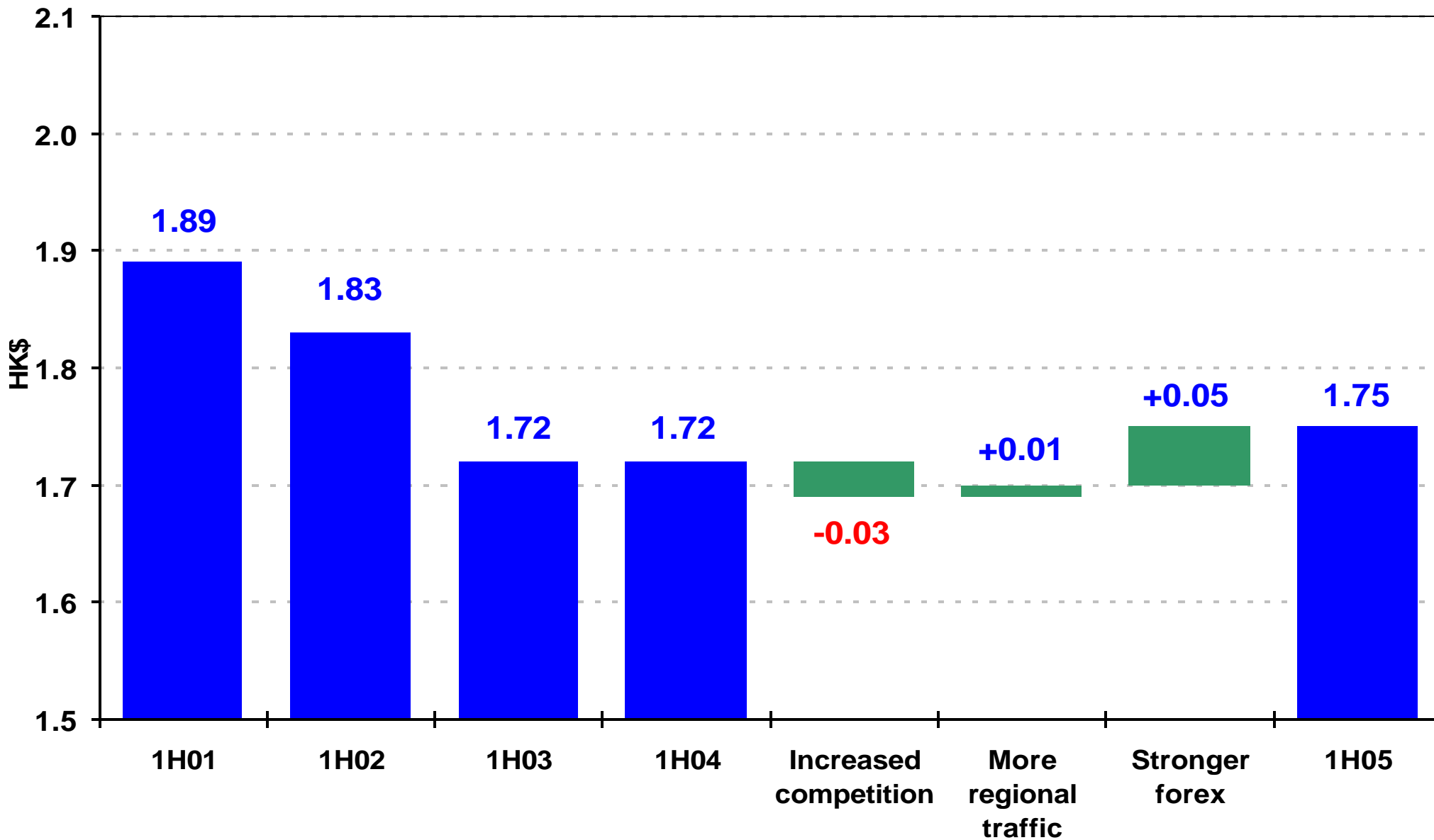
Cargo Service - Key Numbers

| | <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% |

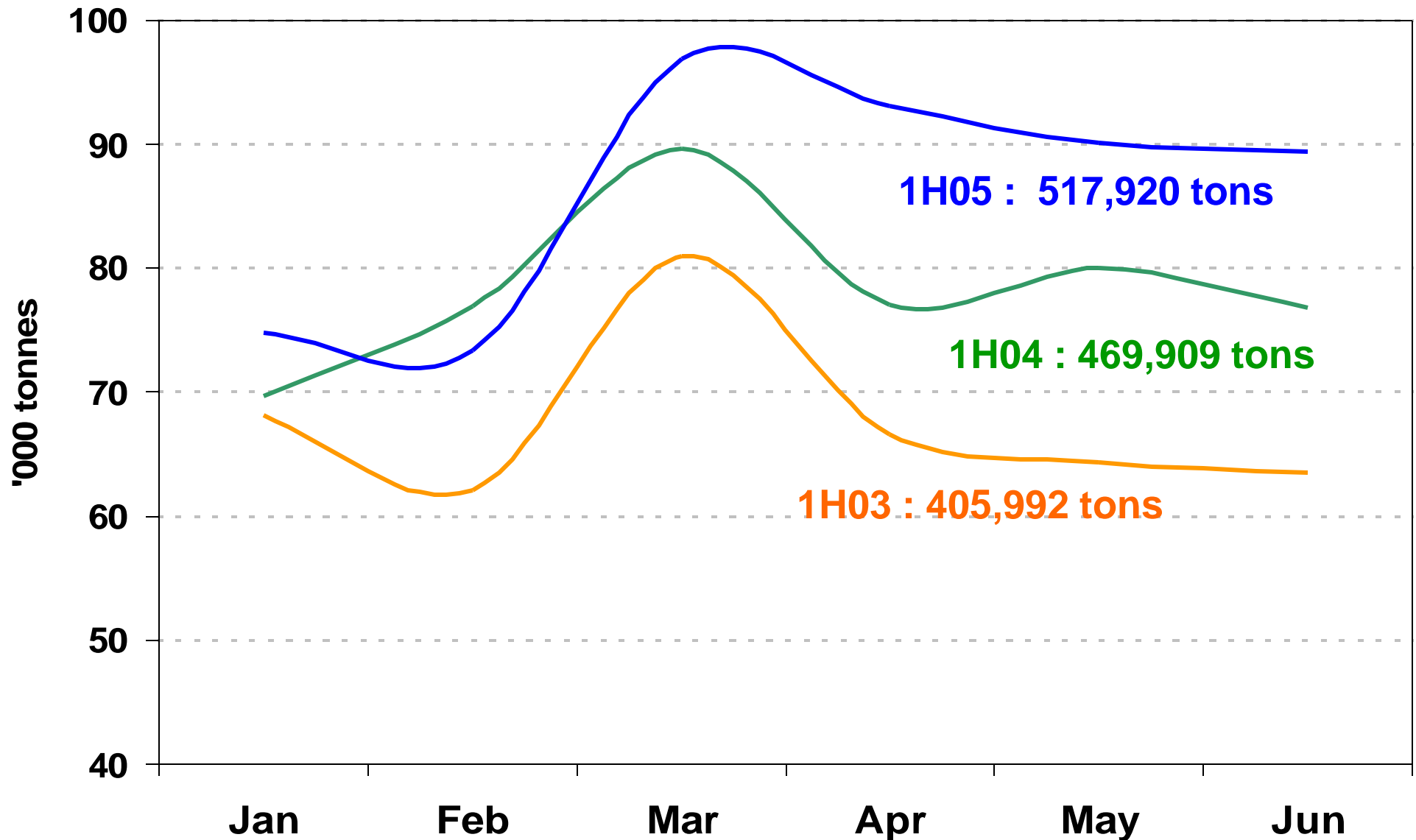


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Cargo Yield



Monthly Cargo Carried

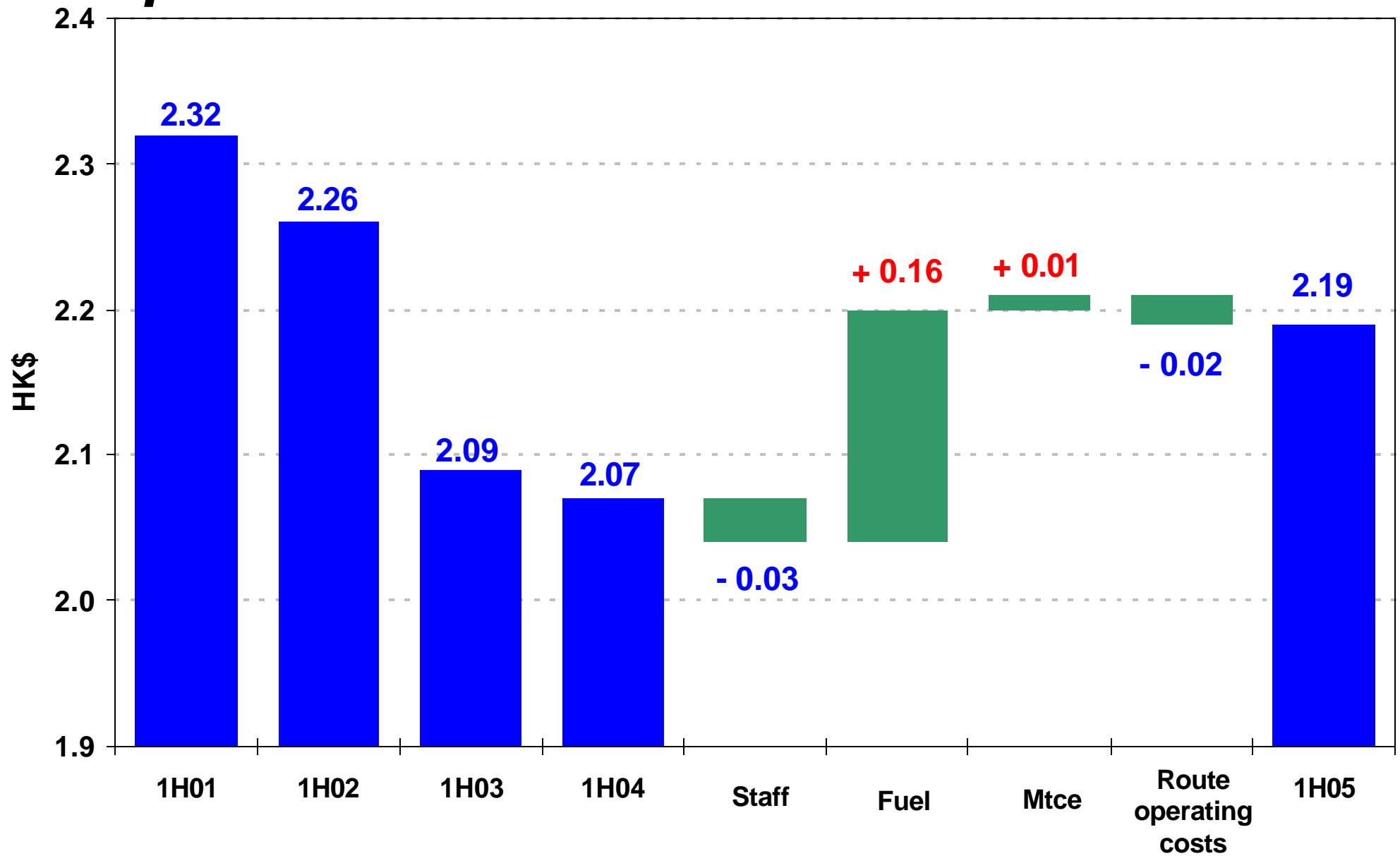


Cathay Pacific - Net Operating Cost

| | <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% |
| CX - Net Operating Cost <i>HK\$m</i> | 18,458 | 15,523 | + 18.9% |



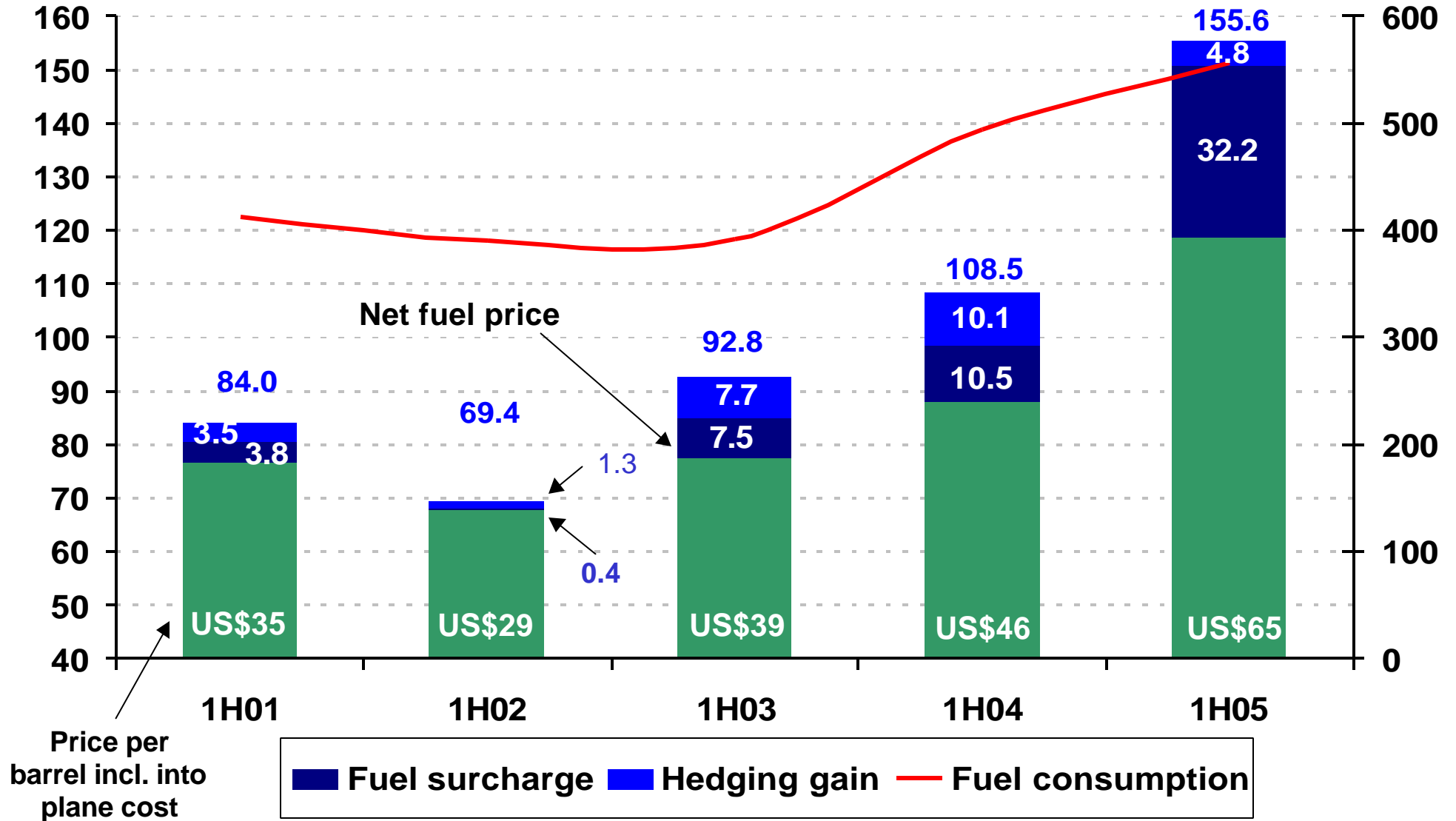
Cost per ATK



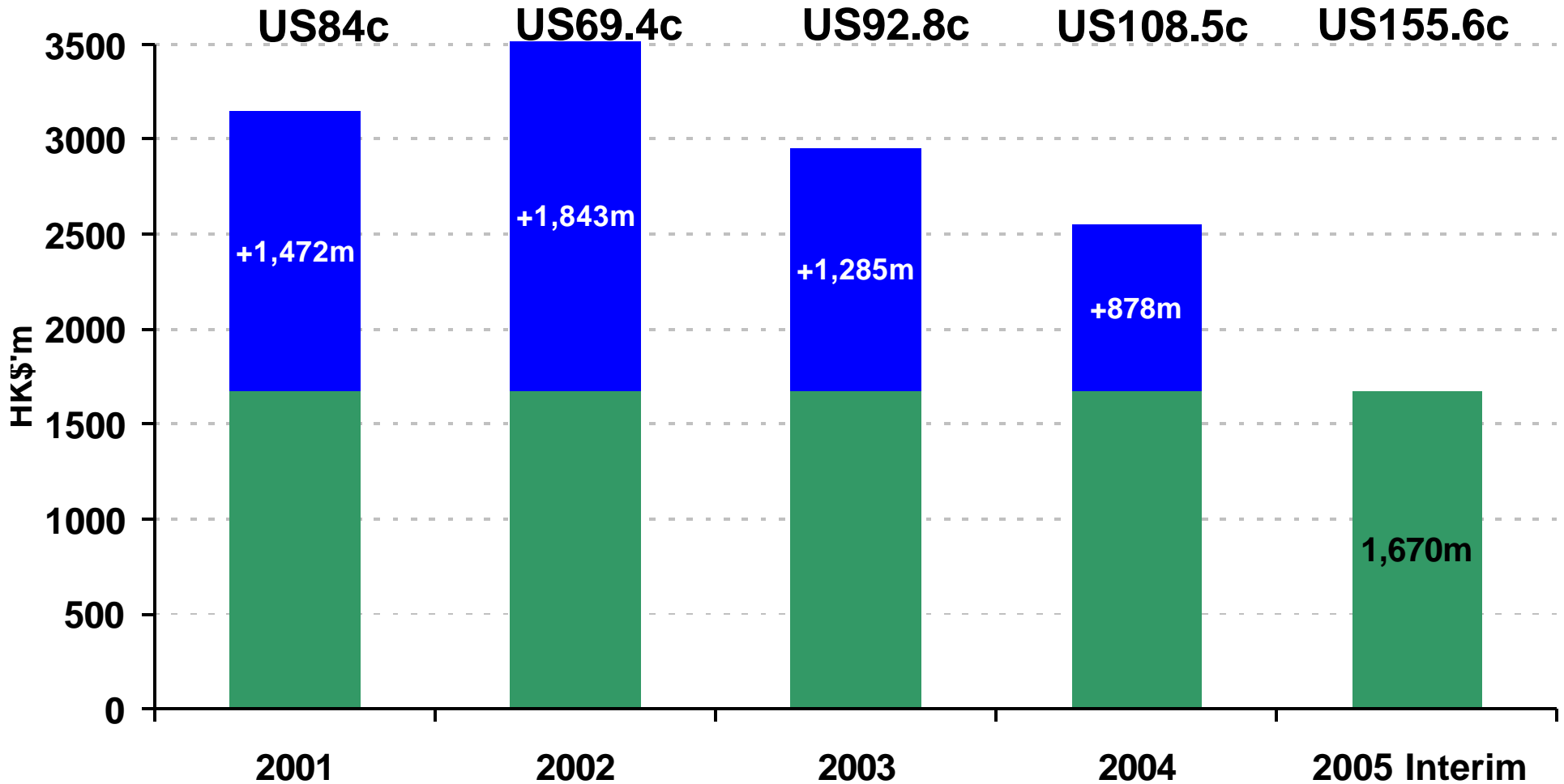
Fuel price & consumption

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 |

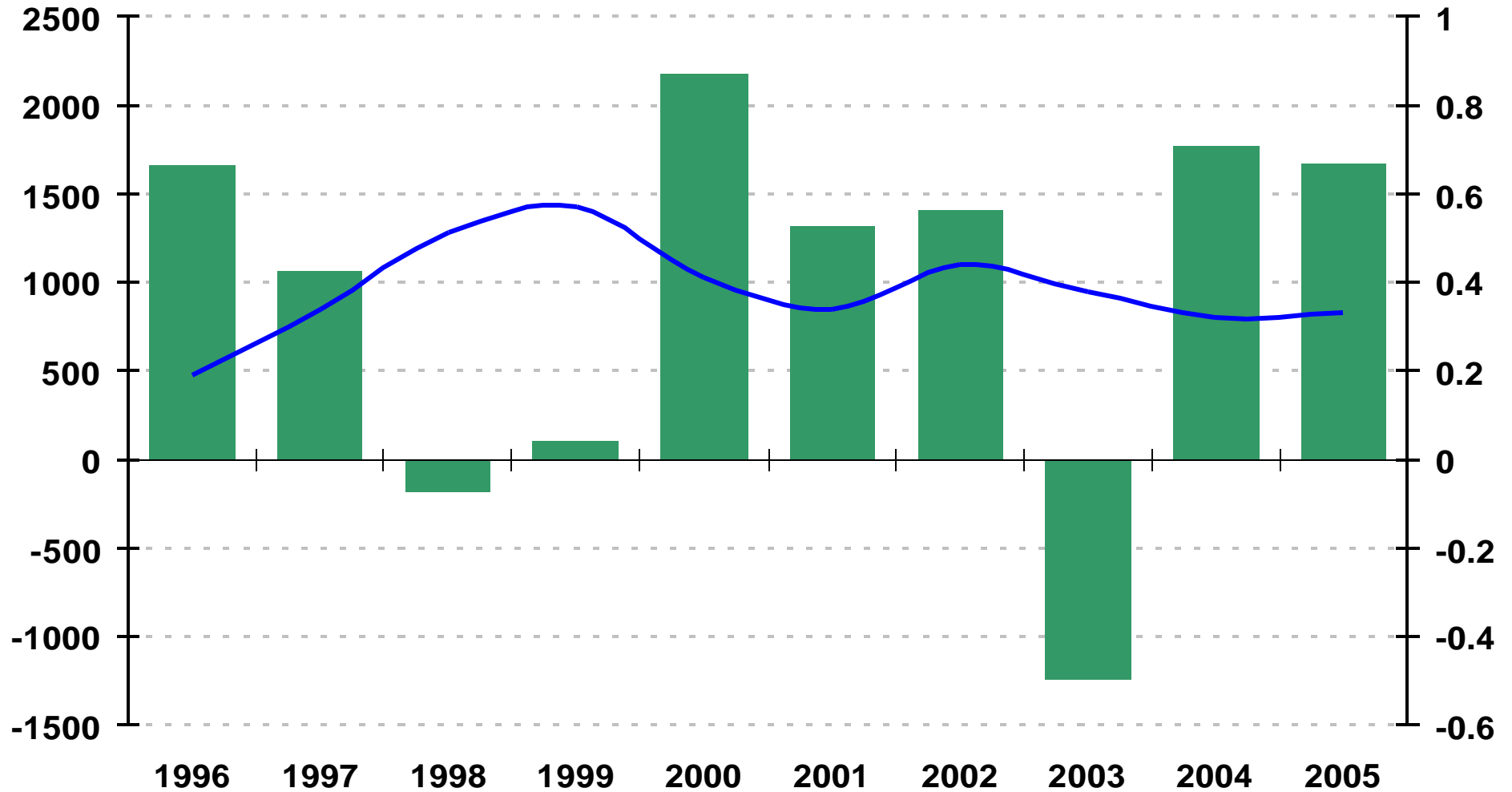


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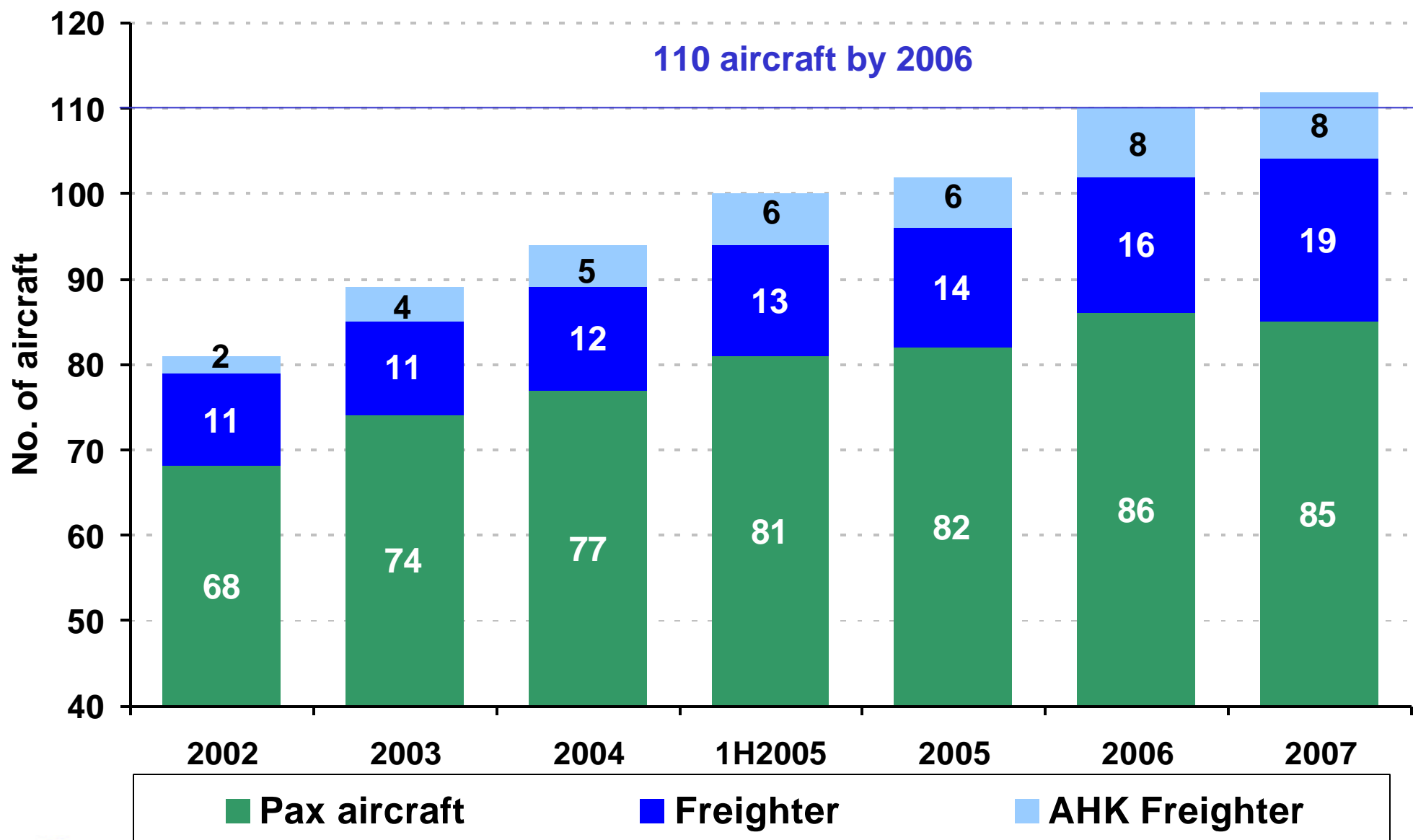
Interim Profit & Net Debt/Equity Ratio

Profit / (loss) - HK\$ m

D/E ratio - times



Fleet Expansion (CX & AHK) : 2002 to 2007



Cost per ATK - First Half

