

Cathay Pacific Airways

2006 Interim Results



9 August 2006

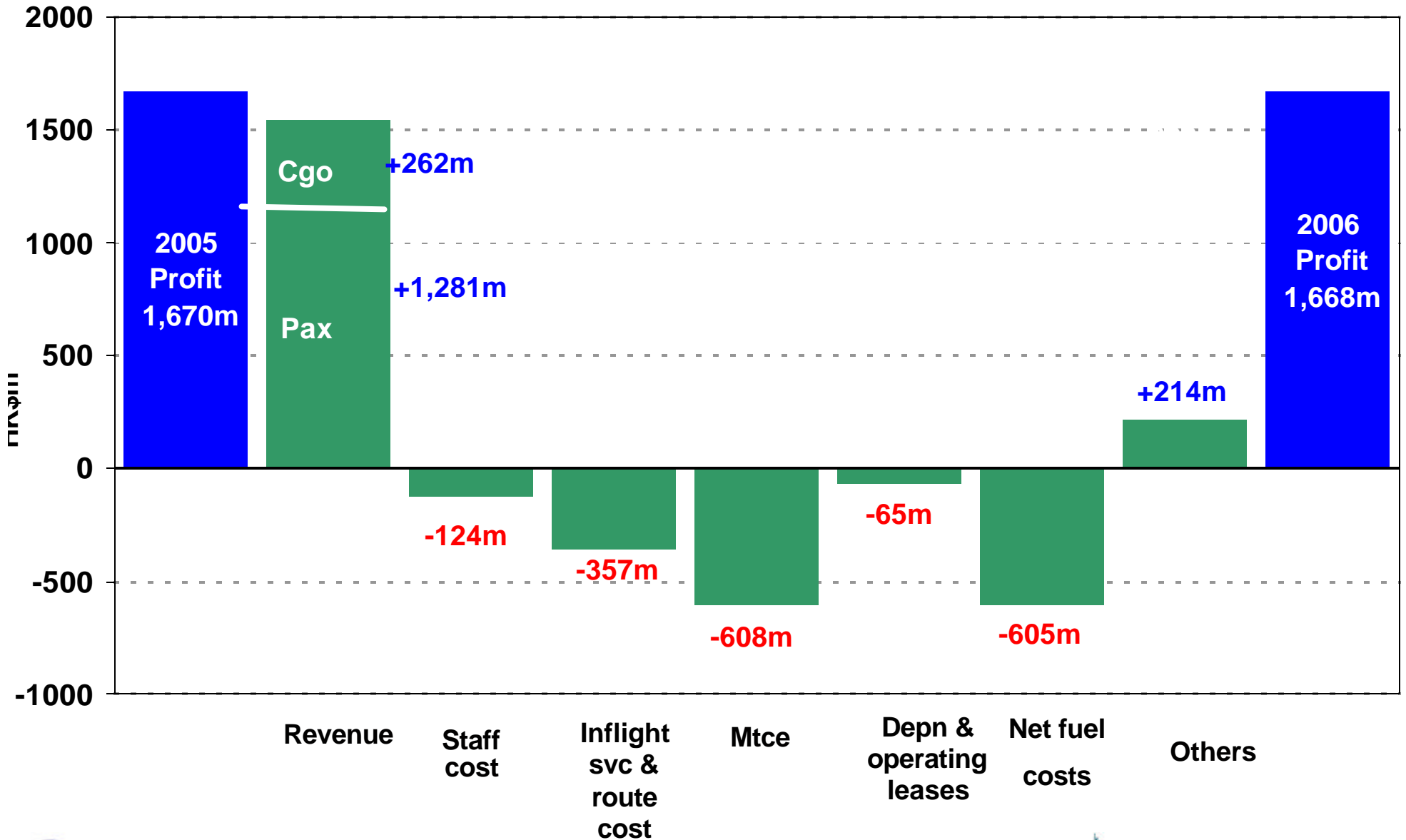
Interim Result Highlights

	<u>1H 2006</u>	<u>vs 2005</u>
Group Profit	HK\$1,668m	- HK\$2m
Group Turnover	HK\$27,086m	+ 13.4%
Net Debt/Equity Ratio	0.21	- 0.05times
Dividend per Share	HK 20c	-
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Available tonne kilometres	9,126m	+ 8.1%
Cost per ATK	HK\$2.19	-
Cost per ATK (w/o fuel)	HK\$1.56	- 1.3%
Revenue Load Factor	75.8%	+ 1.3%pts
Breakeven Load Factor	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>
Turnover	HK\$15,941m	+ 8.7%
Seat Capacity (ASK)	43,814m	+ 10.8%
Passenger Number	8,144m	+ 11.1%
Yield per Revenue Pax Km	HK45.8c	- 3.0%
Load Factor	79.1%	+ 1.0%pt



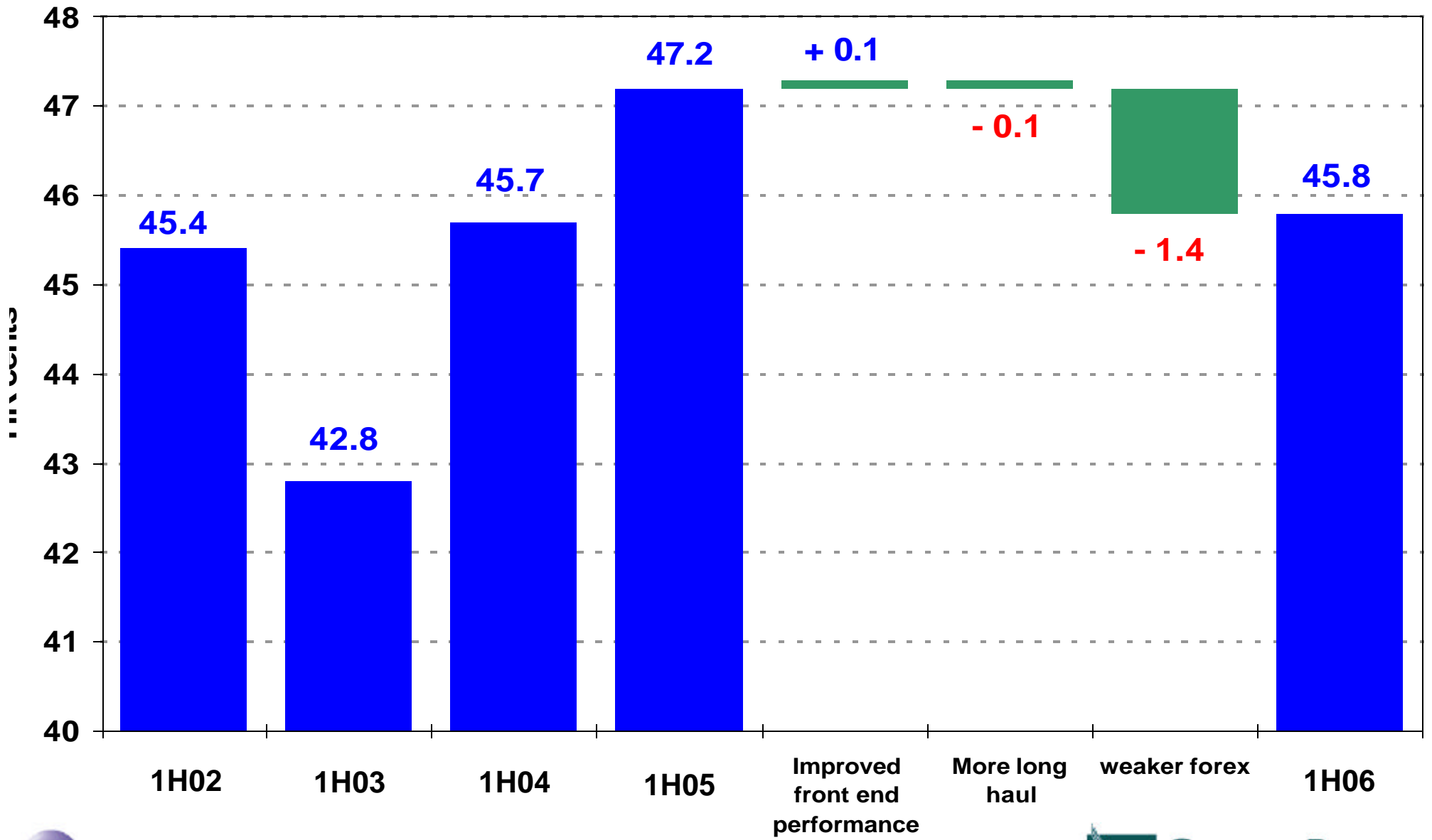
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Passenger Service - by Region

	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%
Systemwide	43,814m	+10.8%	79.1%	+1.0% pts	- 3.0%



Passenger Yield



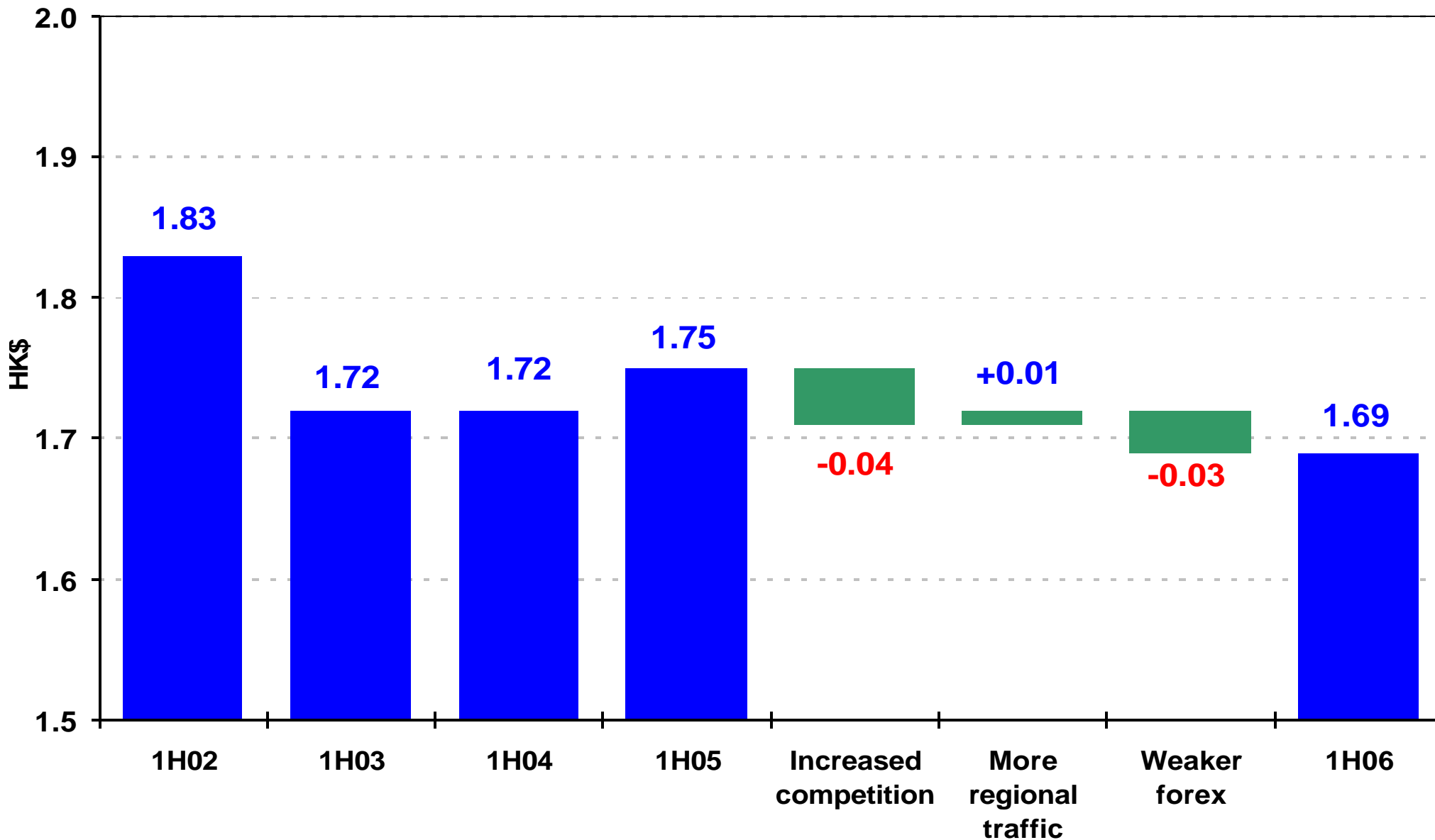
Cargo Service - Key Numbers

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



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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%
CX - Net Operating Cost <i>HK\$m</i>	20,001	18,458	+ 8.4%

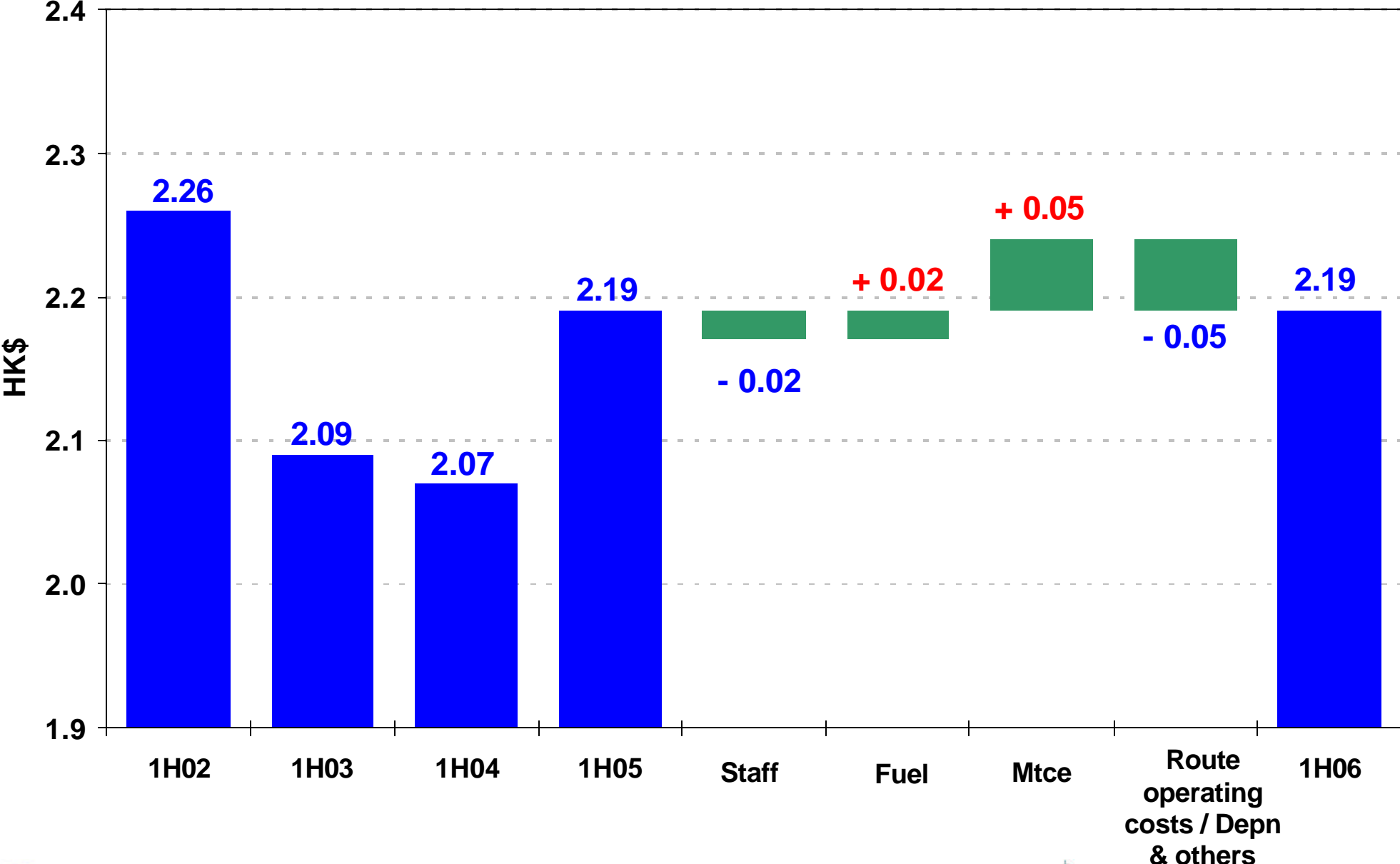


Cathay Pacific - Change in % of Cost

	<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
Total	100%	100%	



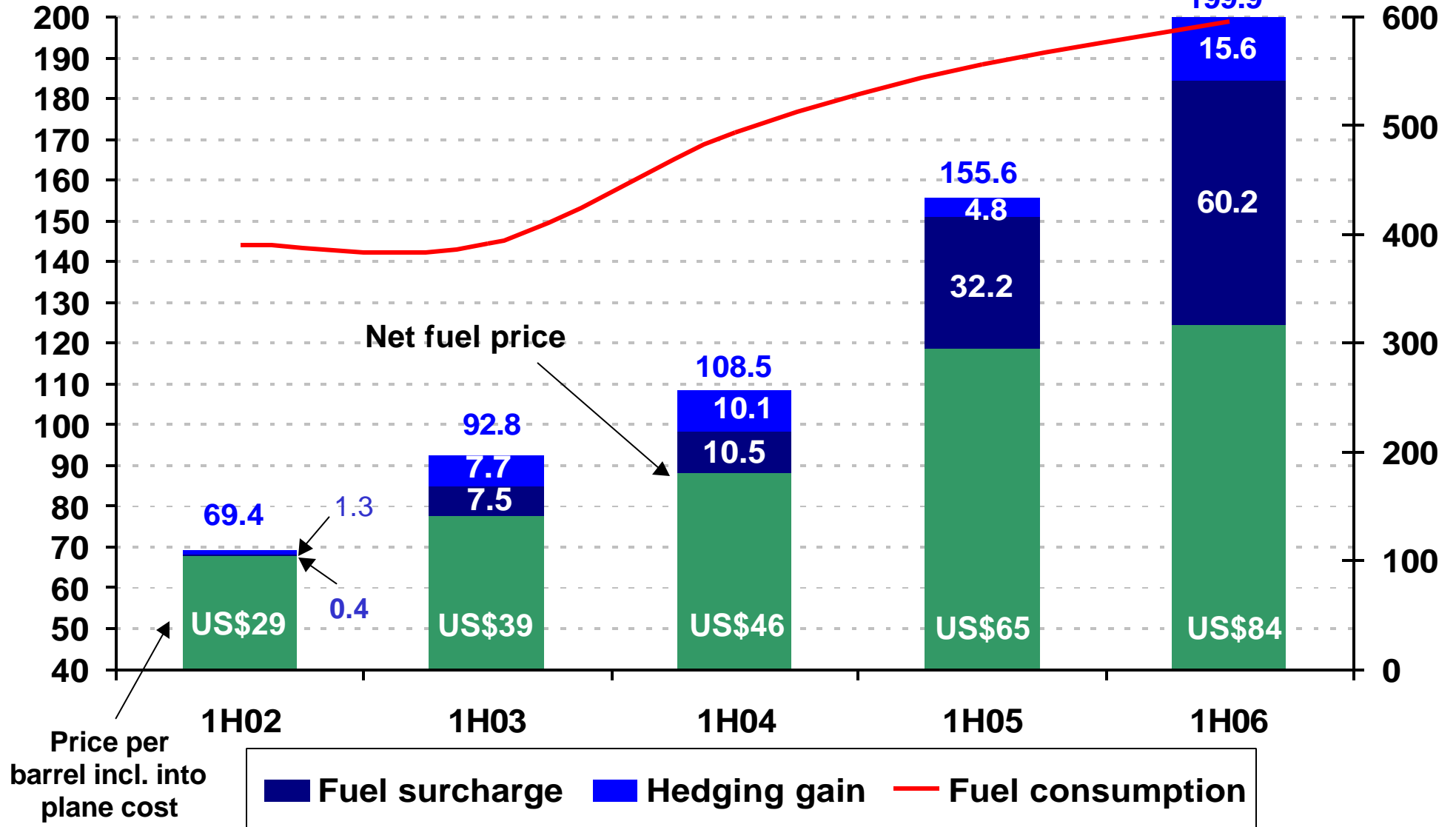
Cost per ATK



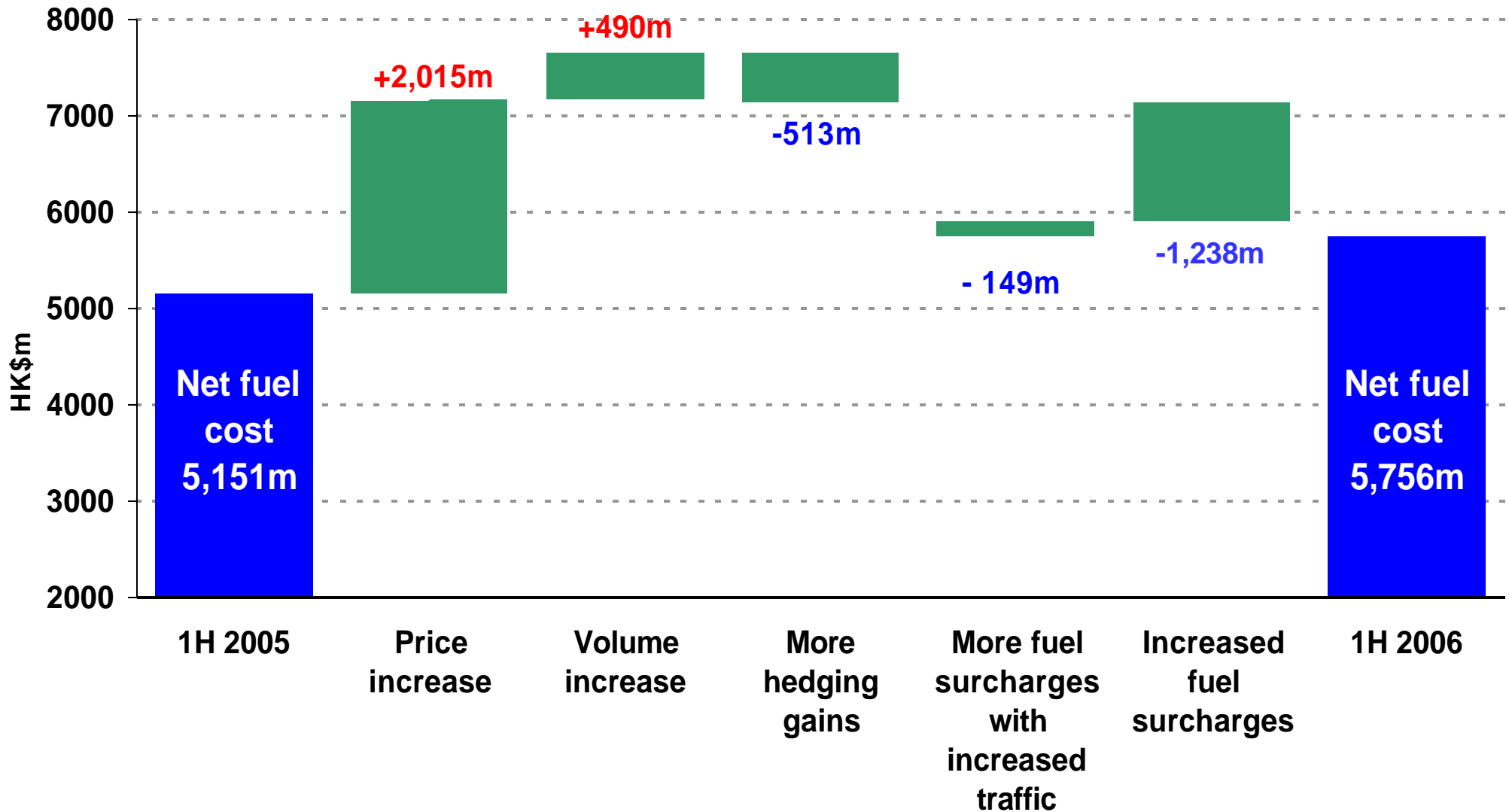
Fuel price & consumption

Fuel price - US\$/AG

Consumption - AG'm



Impact of higher fuel cost in 1H2006



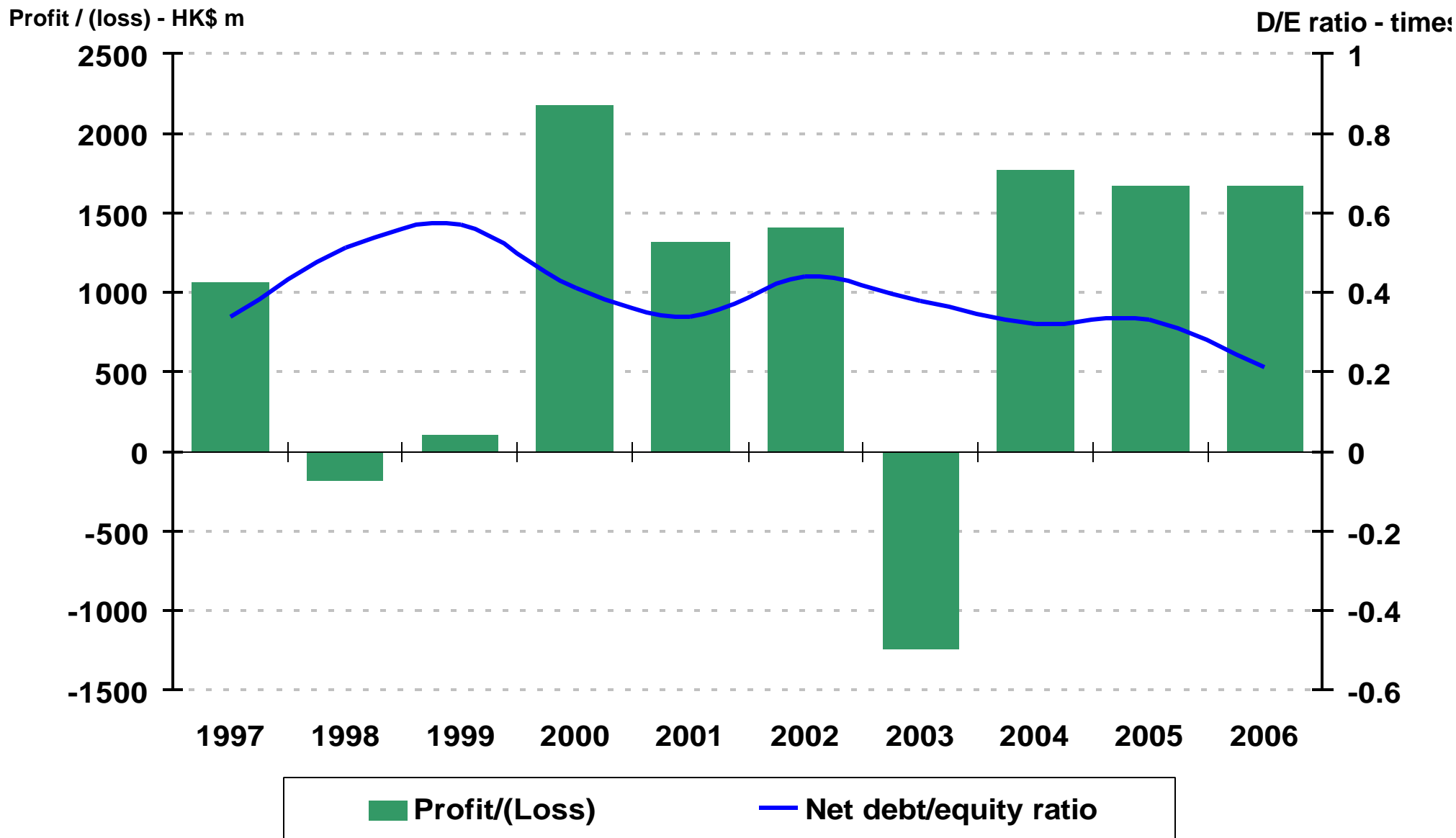
Balance Sheet

	<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

