

Cathay Pacific Airways

2004 Annual Results



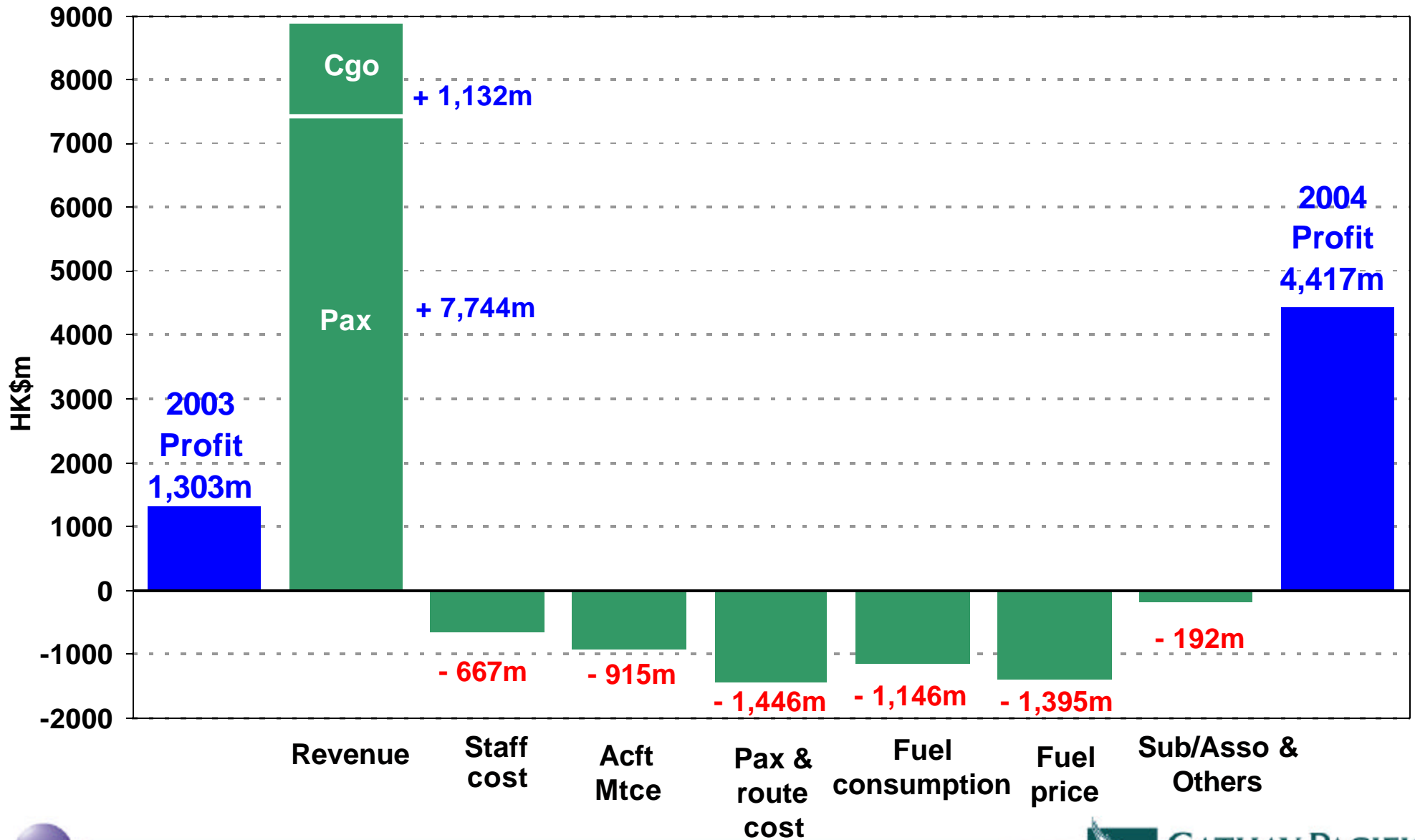
9th March 2005

Annual Result Highlights

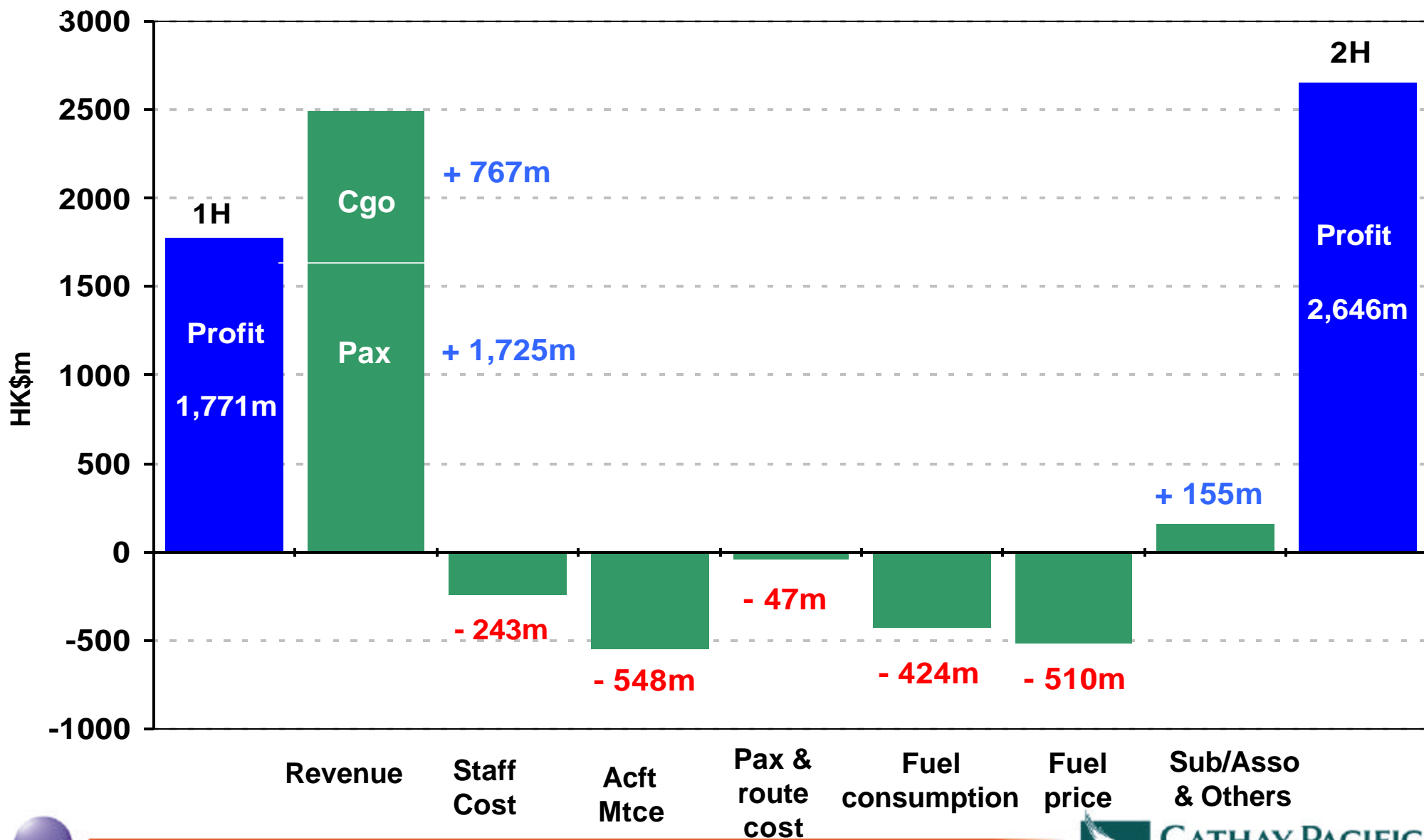
	<u>FY 2004</u>	<u>vs 2003</u>	<u>vs 2002</u>
Group Profit	HK\$4,417m	+ HK\$3.1b	+ HK\$0.4b
Group Turnover	HK\$39,065m	+ 32.1%	+ 18.1%
Net Debt/Equity Ratio	0.34	- 0.02 times	+ 0.04 times
Dividend per Share	HK c65	+ 35.4%	+47.7%
Available tonne kilometres	15,794m	+ 18.3%	+ 23.2%
Cost per ATK	HK\$2.07	+ 3.5%	- 2.8%
Revenue Load Factor	74.8%	+ 3.7%pts	- 1.1%pts
Breakeven Load Factor	65.5%	- 1.9%pts	- 0.2pts



Profit Reconciliation : 2003 to 2004



Profit Reconciliation : 2H vs 1H



Passenger Service - Key Numbers

	<u>FY 2004</u>	<u>vs 2003</u>	<u>vs 2002</u>
Turnover	HK\$26,407m	+ 41.5%	+ 18.0%
Seat Capacity (ASK)	74,062m	+ 24.9%	+ 17.5%
Passenger Number	13.7m	+ 35.8%	+ 10.9%
Yield per Revenue Pax Km	HKc 45.8	+ 5.8%	+ 0.9%
Load Factor	77.3%	+ 5.1%pts	- 0.5%pts



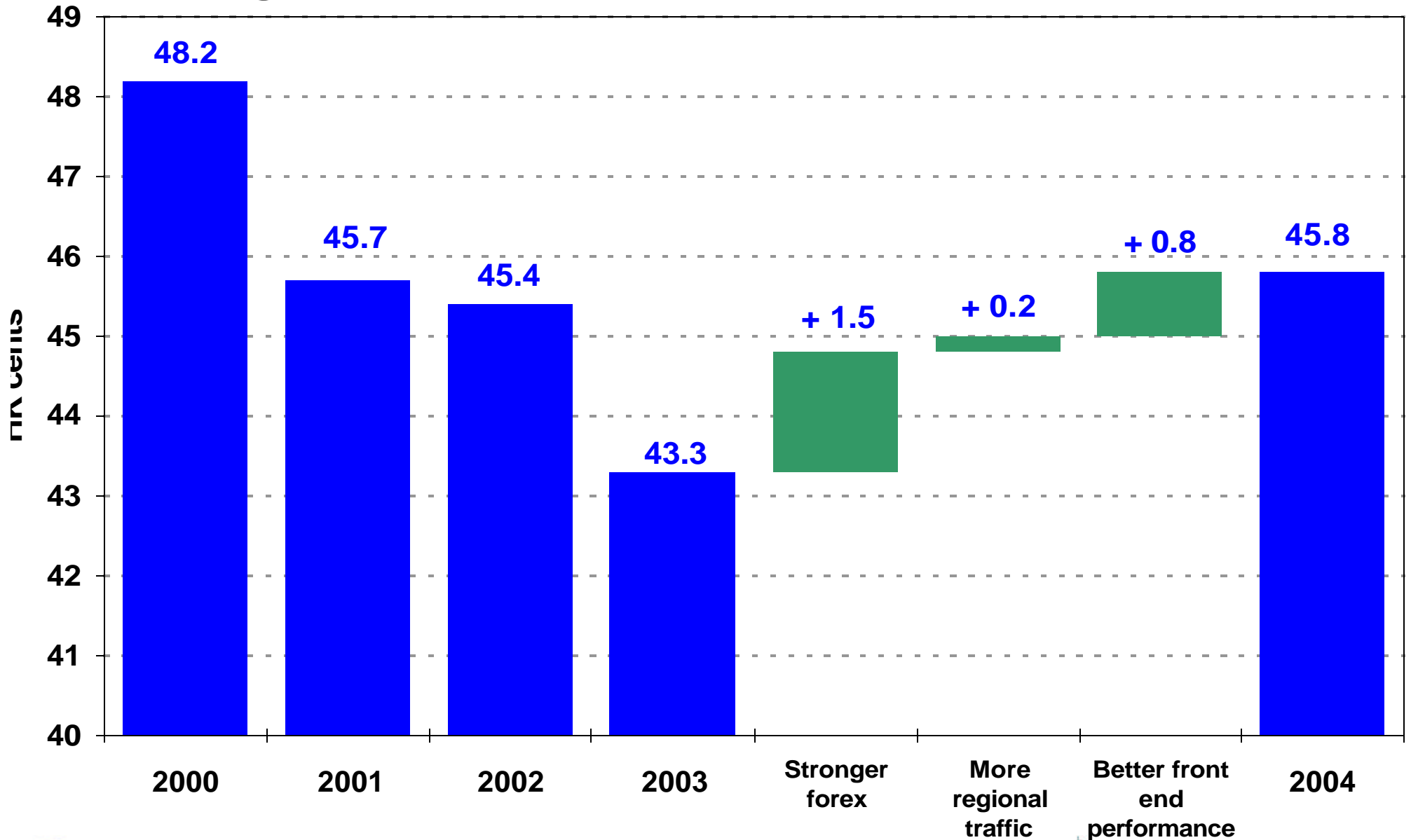
Passenger Service - by Region

	ASK	vs 2003	Load Factor	vs 2003	Yield Change
North Asia	12,290m	+30.2%	67.2%	+5.9% pts	-1.1 %
SW Pacific & S. Africa	12,466m	+23.3%	72.2%	-0.4% pts	+9.1%
Europe	15,194m	+19.5%	83.7%	+5.5% pts	+13.1%
SE Asia & Middle East	15,764m	+23.4%	74.3%	+6.6% pts	-1.7 %
North America	18,348m	+28.8%	84.9%	+7.3% pts	+9.2%
Systemwide	74,062m	+24.9%	77.3%	+ 5.1% pts	+5.8%

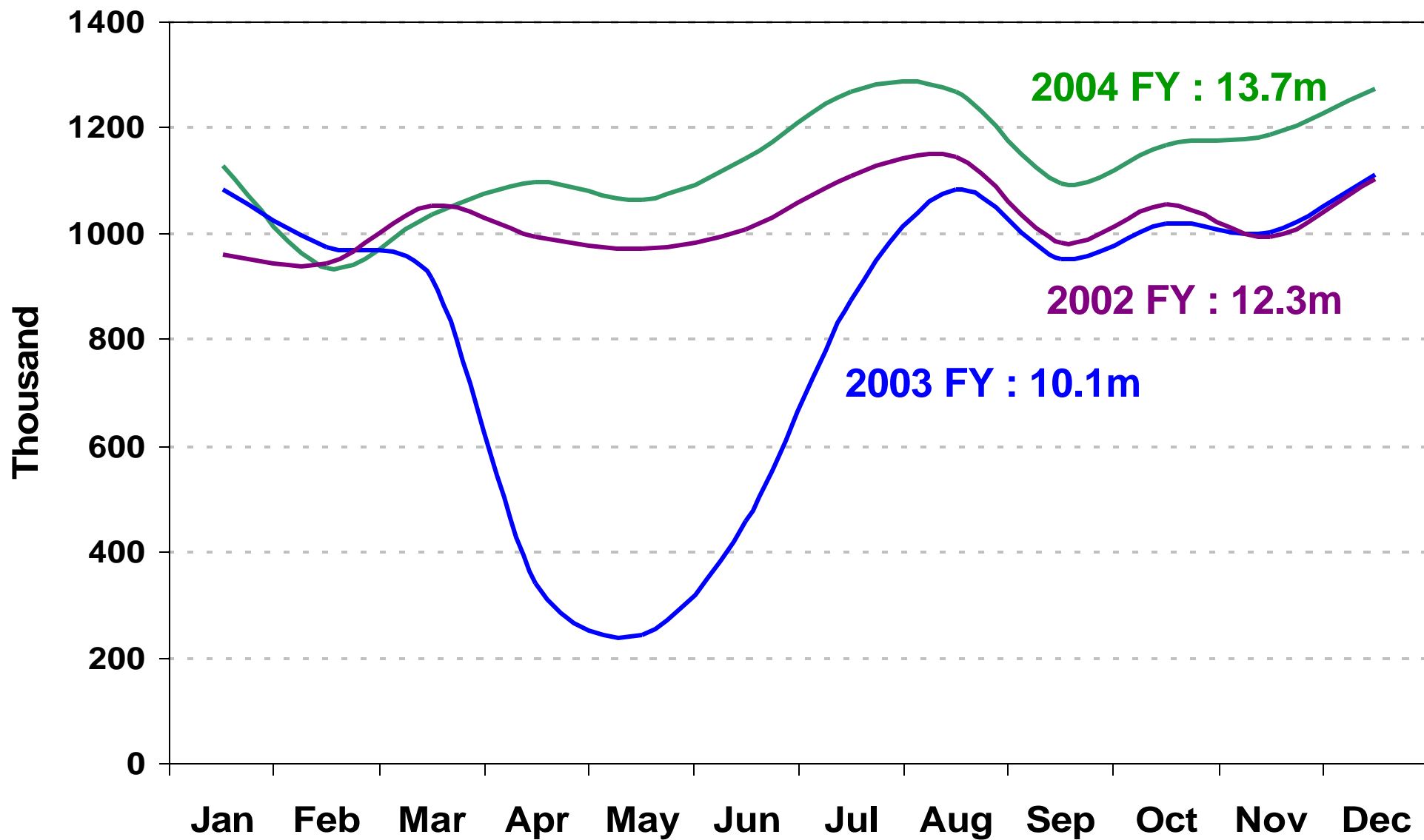


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Passenger Yield



Monthly Passenger Number

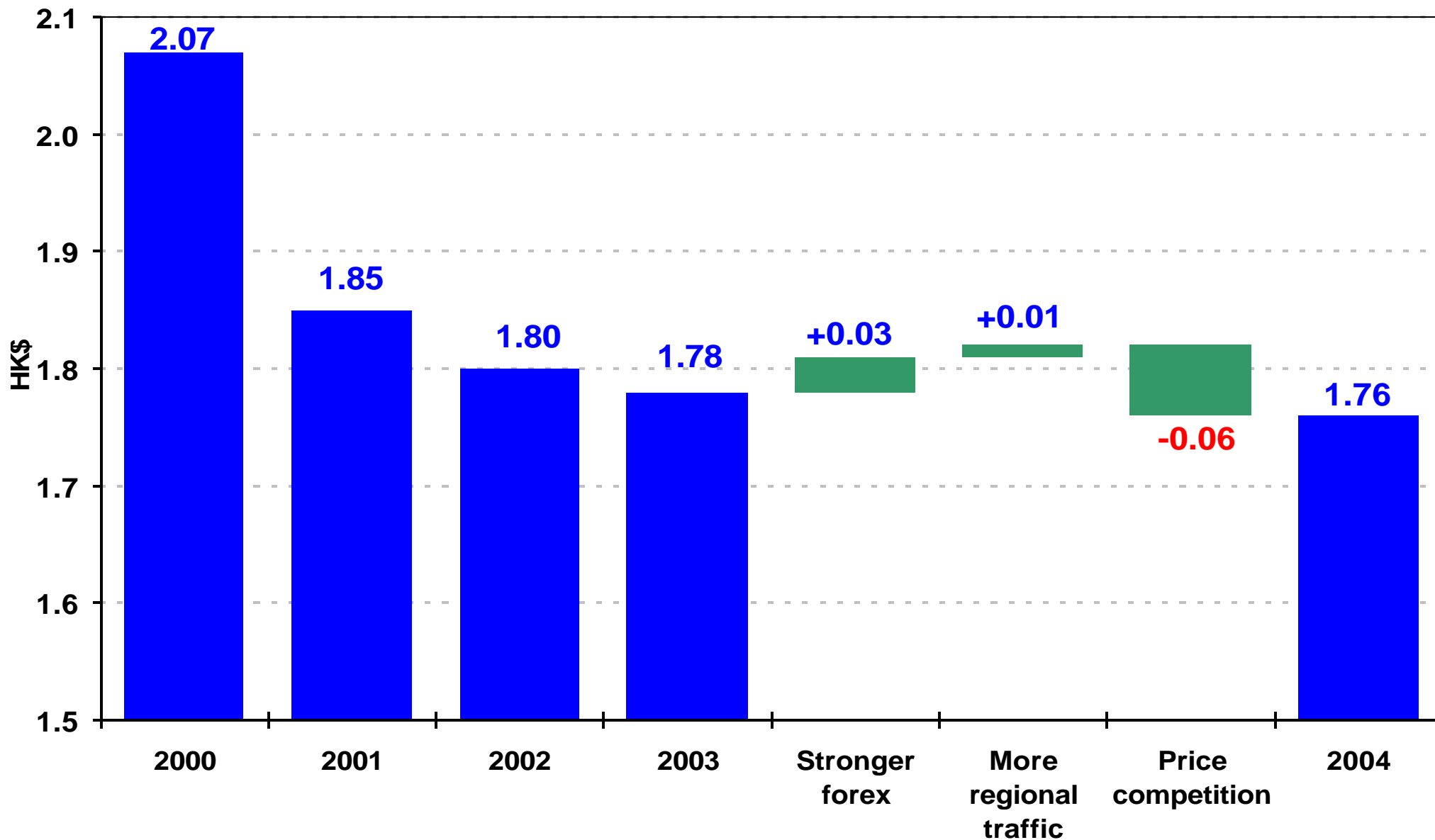


Cargo Service - Key Numbers

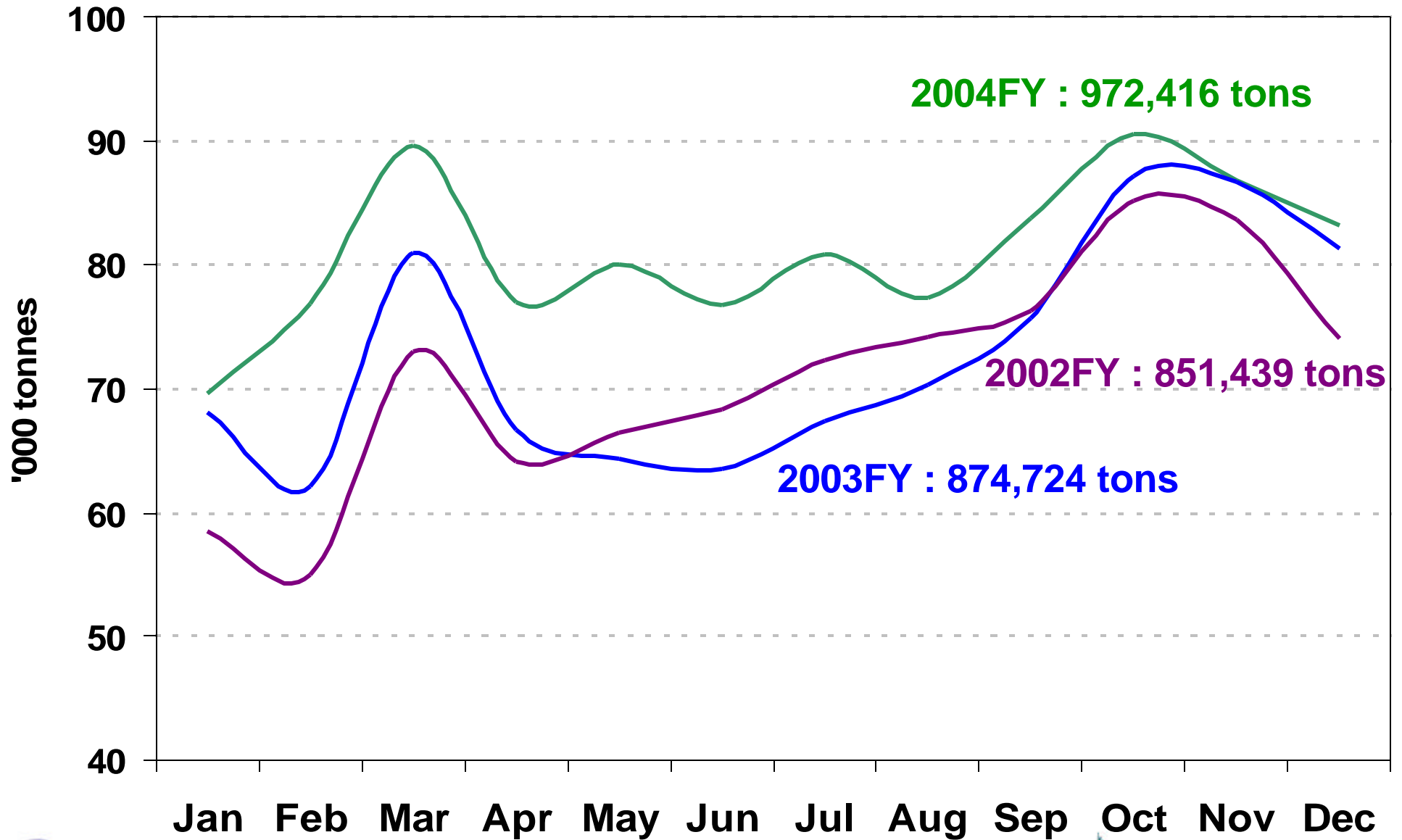
	<u>FY 2004</u>	<u>vs 2003</u>	<u>vs 2002</u>
Turnover	HK\$10,549m	+ 12.0%	+ 20.4%
Cargo Capacity (ACTK)	8,748m	+ 13.4%	+ 28.2%
- on passenger aircraft	5,010m	+ 7.1%	+ 36.4%
- on freighters	3,738m	+ 23.1%	+ 18.7%
Cargo Carried	972k tons	+ 11.1%	+ 14.2%
Load factor	68.7%	-	- 2.5%pts
Yield per tonne km	HK\$1.76	-1.1%	- 2.2%



Cargo Yield



Monthly Cargo Carried



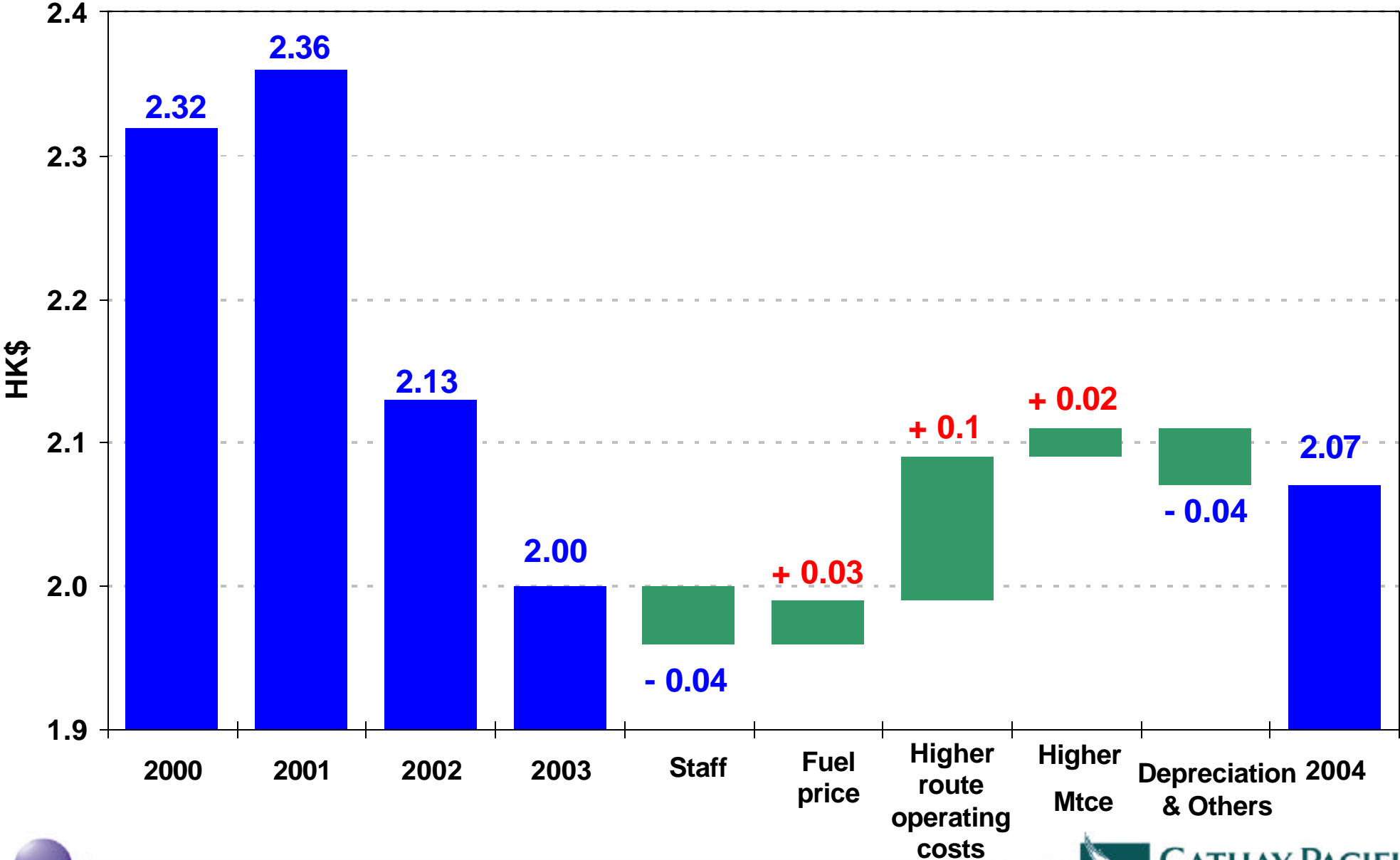
Cathay Pacific - Operating Cost

	<u>FY 2004</u>	<u>2003</u>	<u>vs 2003</u>
Staff	7,985	7,318	+ 9.1%
Inflight service & passenger	1,566	1,223	+ 28.0%
Landing, parking & route	5,209	4,106	+ 26.9%
Fuel	7,704	5,164	+ 49.2%
Aircraft maintenance	3,768	2,853	+ 32.1%
Depreciation & lease	4,801	4,580	+ 4.8%
Net finance charges	556	606	- 8.3 %
Others	1,148	872	+ 31.7%
CX - Operating Cost	32,737	26,722	+ 22.5%

HK\$m



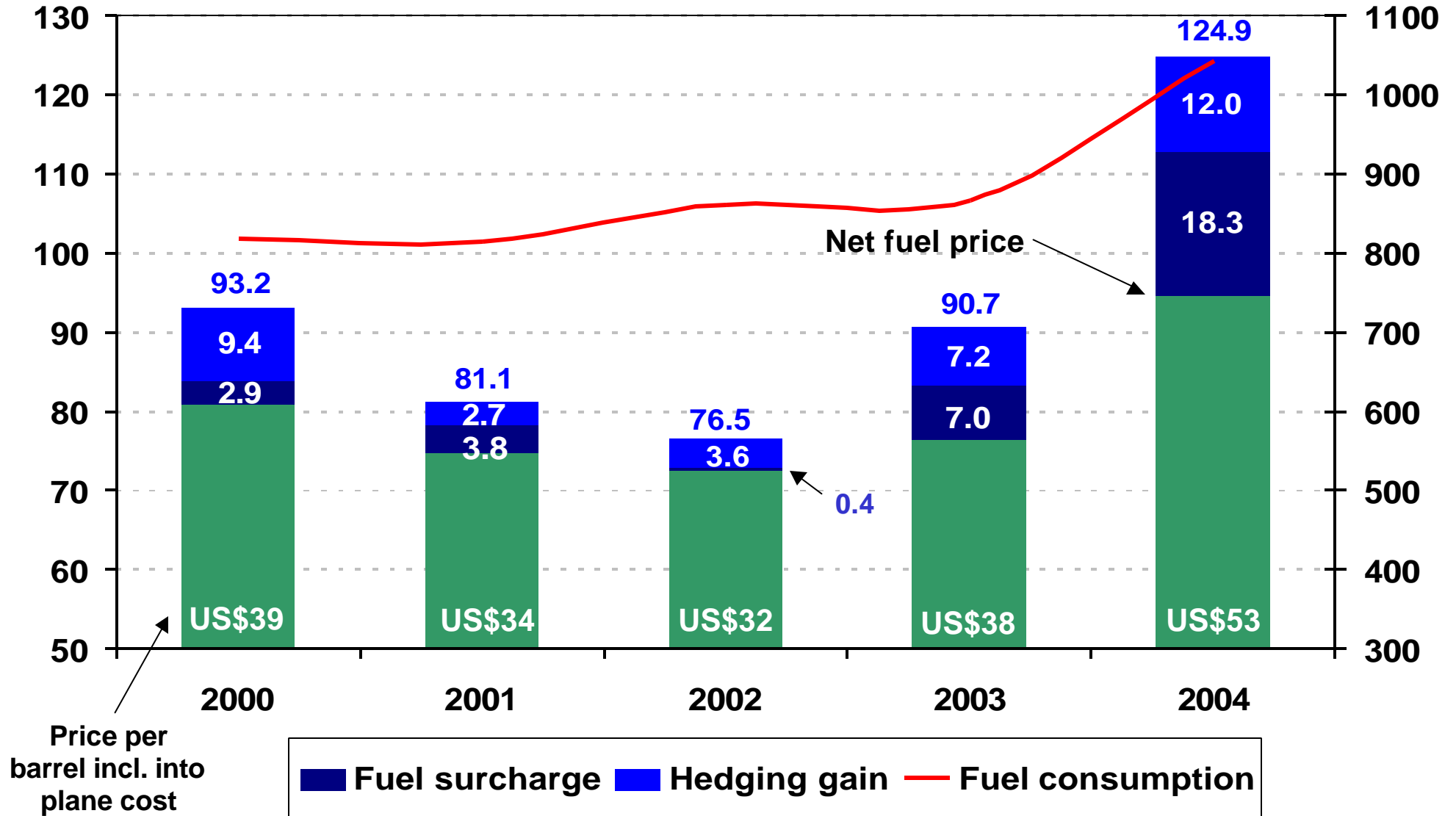
Cost per ATK



Fuel price & consumption

Fuel price - US\$/AG

Consumption - AG'm

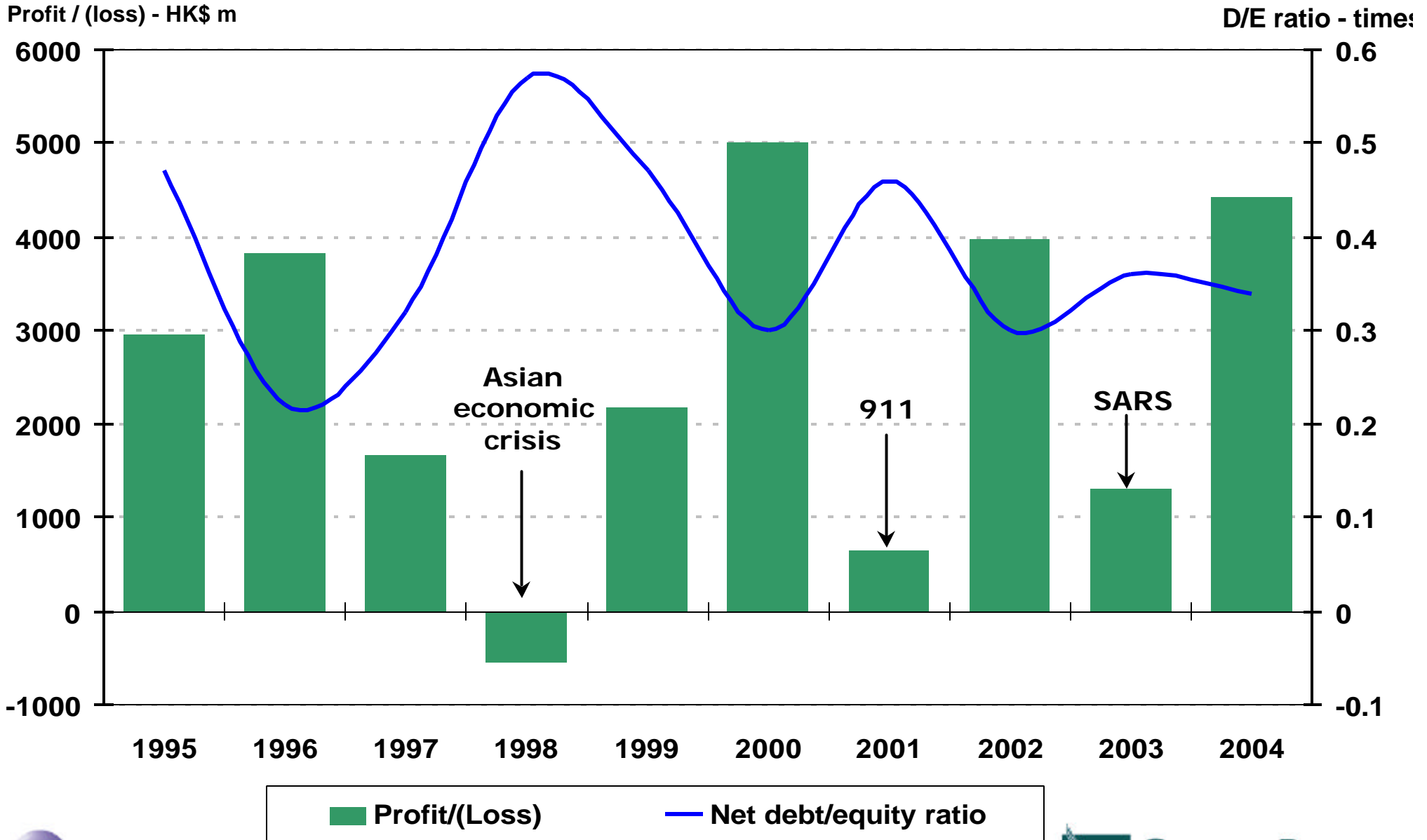


Balance Sheet

	<u>2004</u>	<u>vs 2003</u>
Shareholders' Funds	HK\$32,855m	5.8% up
Gross Borrowings	HK\$22,631m	13.9% down
Less:		
Liquid Funds	HK\$(11,444m)	24.6% down
Net Borrowings	HK\$11,187m	0.7% up
Capital Employed	HK\$44,042m	4.5 % up
Net Debt/Equity Ratio	0.34	- 0.02times



Profit & Net Debt/Equity Ratio



Liquid Fund Flow

HK\$'b

1999

2000

2001

2002

2003

2004

Net

15

- HK\$0.7b

- HK\$0.6b

- HK\$1.2b

+ HK\$3.4b

+ HK\$2.0b

- HK\$3.7b

Inflow

10

5

0

-5

-10

-15

Outflow

2.4

5.2

-4.0

-5.0

-

-

1.6

6.9

-4.3

-4.2

-

-

8.0

3.2

-7.3

-4.5

-

-

2.5

8.1

-2.8

-4.7

-

-

6.8

4.9

-5.1

-5.1

-

-

1.7

9.2

-4.1

-6.3

-

-

Operating inflow

New financing

Capital expenditure

Loan repayment

Dividend paid

Others

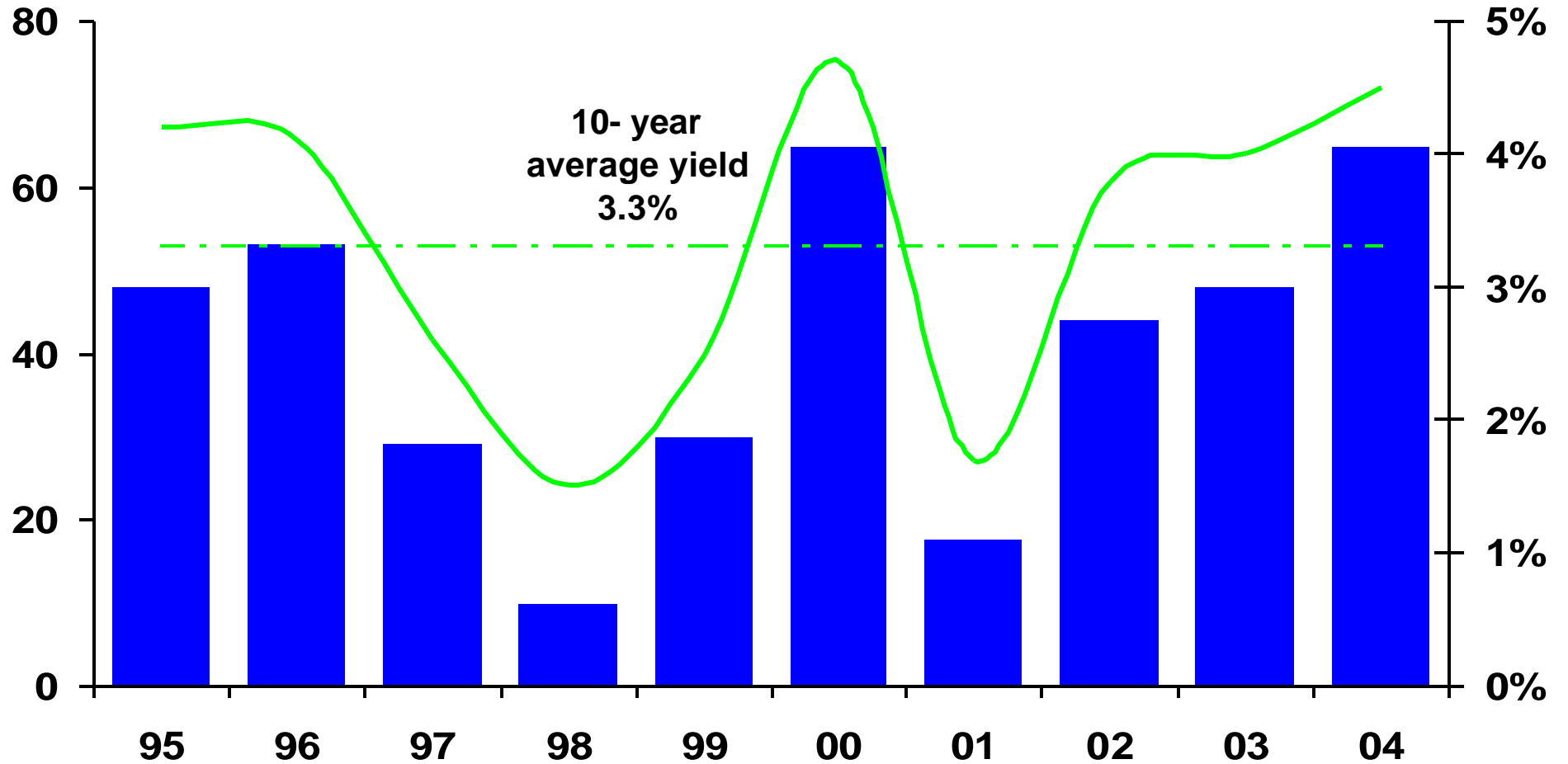


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Dividends

Dividend per share (HK cents)

Dividend yield %



■ Dividend per share

— Dividend yield



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Productivity Measures

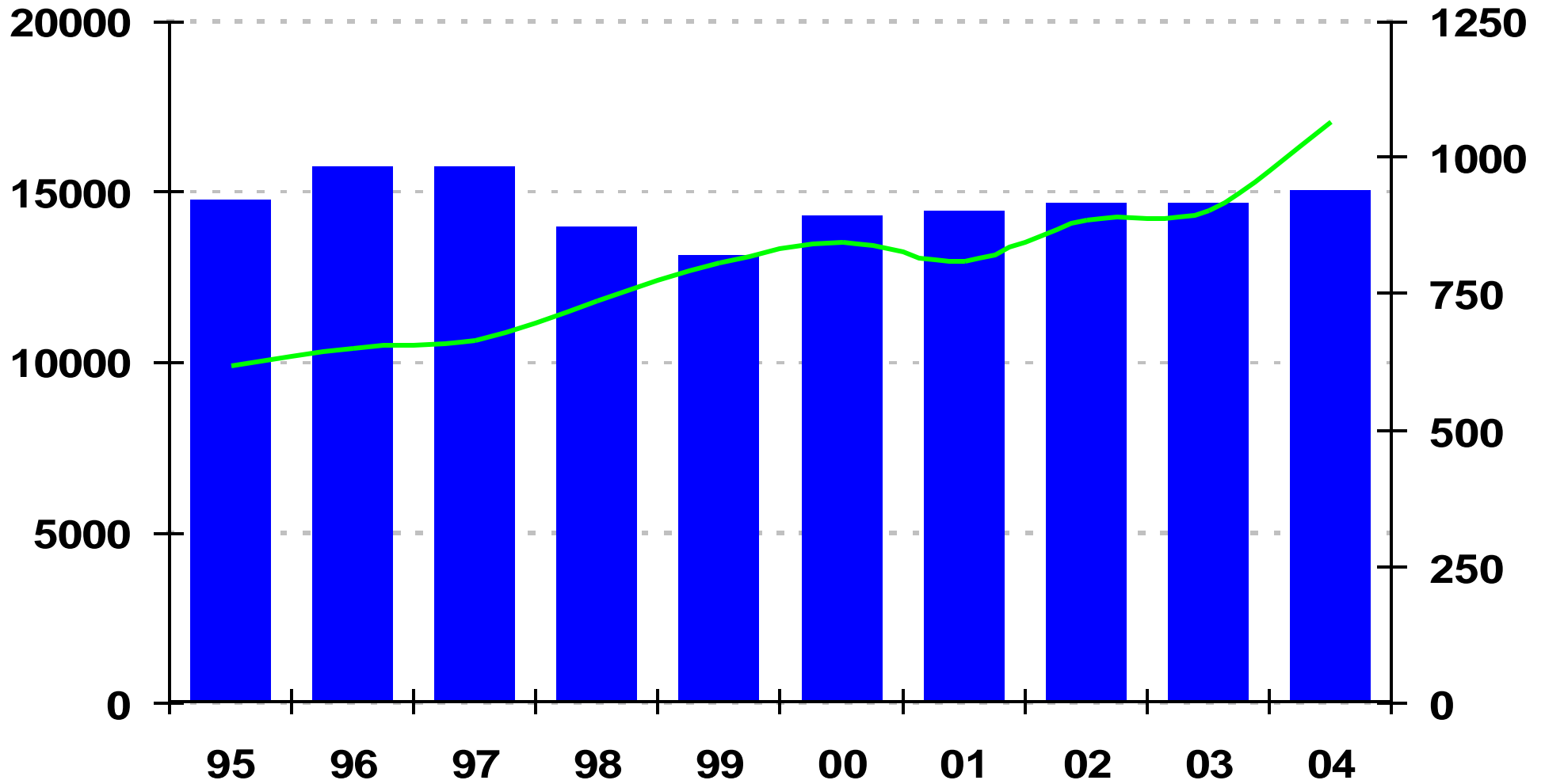
	<u>2004</u>	<u>vs 2003</u>
Cost per ATK - with fuel	HK\$2.07	3.5% up
- without fuel	HK\$1.58	1.9% down
ATK per HK\$1,000 Staff Cost	1,981	8.5% up
Staff Number	15,054	2.6% up
Aircraft Utilisation (Hrs/day)	12.0	5.3% up



ATK per Staff

Staff number

ATK per staf



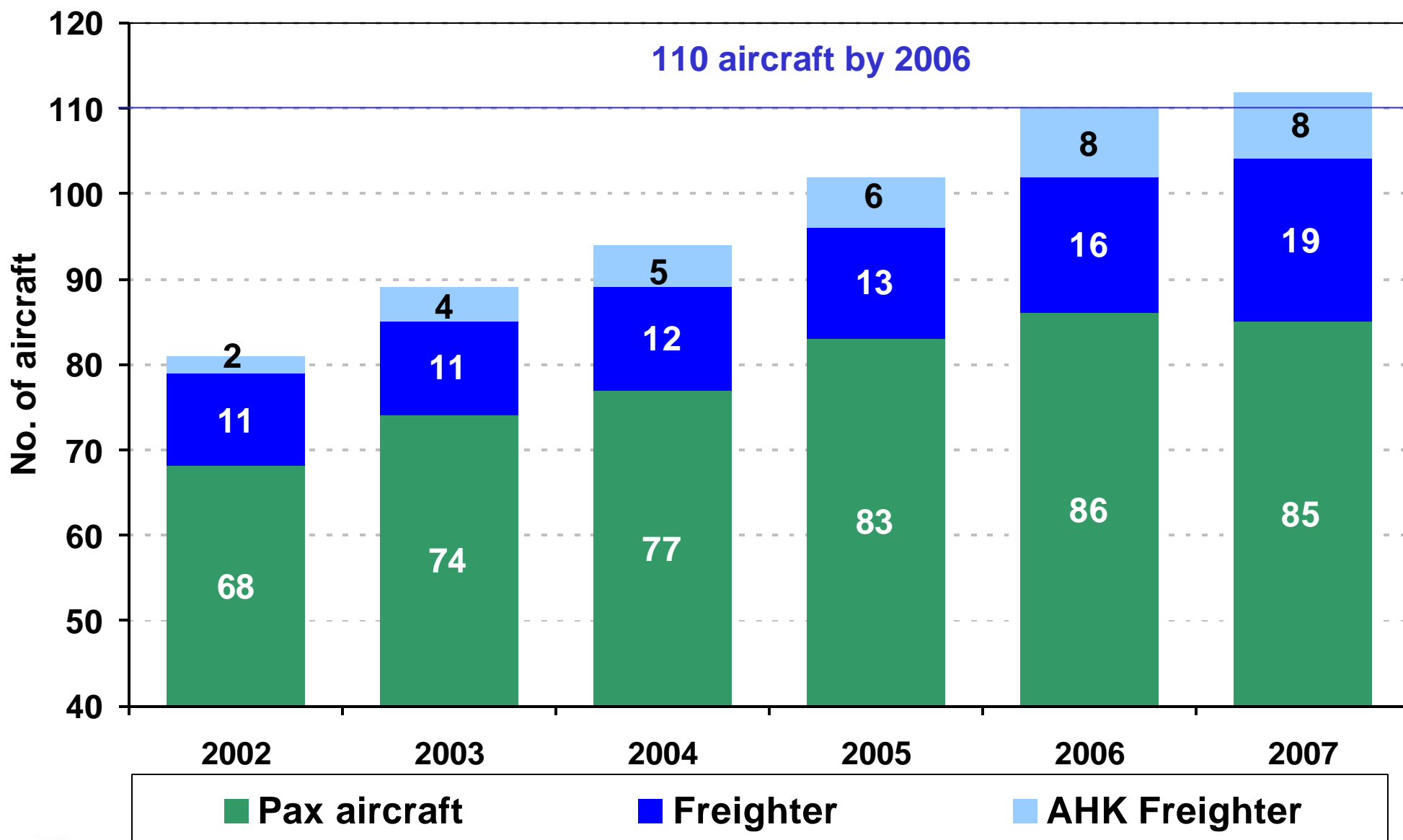
Staff number

ATK per staff



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Fleet Expansion (CX & AHK) : 2002 to 2007



Cost per ATK

