

Media Information

16 February 2007

FOR IMMEDIATE RELEASE

CATHAY PACIFIC RELEASES COMBINED JANUARY 2007 TRAFFIC FIGURES

Cathay Pacific today released traffic figures for January 2007 that for the first time include figures from its wholly owned subsidiary, Dragonair.

Cathay Pacific and Dragonair together carried a total of 1,734,103 passengers in January 2007, down 3.5 percent compared with the combined figure for the same month last year. However, an accurate year-on-year comparison is difficult because the Chinese New Year holiday peak was in January in 2006, whereas this year it falls in February.

This means the January 2006 figures for revenue passenger kilometres (RPKs) flown were inflated by extra flights - primarily to Mainland and Northeast Asian destinations - that were added to meet seasonal demand. This also explains the 1.4 percentage point drop in passenger load factor to 77 percent for January 2007. Capacity, measured in available seat kilometres (ASKs), rose by 1.8 percent year-on-year.

Dragonair itself carried 332,891 passengers in January with a passenger load factor of 55.2 percent.

Cathay Pacific and Dragonair together carried 122,551 tonnes of cargo in January, marginally down on the same month in 2006. The combined cargo load factor for the two carriers was 62.2 percent, down 0.2 percentage points year-on-year.

Cathay Pacific General Manager Revenue Management, Sales & Distribution Ian Shiu said: "Advance loads for the Chinese New Year holiday period for both Cathay Pacific and Dragonair are promising. Both airlines are operating more additional flights to meet peak demand and we are looking forward to a strong performance in February. In addition, demand for long-haul flights, especially in the front end, continues to be strong."

Over the 2007 Chinese New Year period, Cathay Pacific will operate an additional 78 pairs of flights to 10 regional destinations, primarily Sapporo, Osaka, Tokyo, Taipei and Bangkok. Dragonair plans to operate a total of 46 additional pairs of flights, including charter services to popular holiday destinations such as Taipei, Kaoshiung, Kota Kinabalu, Phuket and Guilin.

Dragonair has been steadily expanding its services since the integration with Cathay Pacific. The carrier launched a thrice-weekly service to Busan on 19 January 2007 and resumed a daily service to Phuket at the end of 2006. It also increases the number of flights to Phnom Penh, the capital of Cambodia, from five times a week to daily from today (16 February).

Media Information

Cathay Pacific Director & General Manager Cargo Ron Mathison said: "It was a slow start for cargo in January as the market took time to regain its momentum after the Christmas and New Year period. Chinese New Year falls much later this year and that also explains the relatively low loads. There is a lot more capacity in the market, and Hong Kong is facing challenges from airports in the Pearl River Delta region, but we remain committed to growing our network and investing in our home hub. In mid-January, Cathay Pacific took delivery of its fourth 747-400 Boeing Converted Freighter (BCF), while Dragonair received its second 747-400 BCF this month."

CATHAY PACIFIC / DRAGONAIR COMBINED TRAFFIC	Jan 2007	% change vs Jan 06 Note (i)	% change vs Jan 06 Note (ii)
RPK (000)			
- China	360,037	921.9%	-12.5%
- North East Asia	845,983	10.5%	-4.9%
- South East Asia & Middle East	1,225,698	6.8%	2.9%
- Europe	1,301,264	3.4%	3.4%
- South West Pacific & South Africa	1,163,242	4.1%	4.1%
- North America	1,722,830	-1.8%	-1.8%
RPK Total (000)	6,619,054	8.9%	-0.1%
Passengers carried	1,734,103	24.9%	-3.5%
Cargo and mail tonne km (000)	649,611	21.0%	-1.2%
Freight carried (000Kg)	122,551	34.1%	-0.1%
Number of flights	4,629	58.2%	-1.0%

CATHAY PACIFIC / DRAGONAIR COMBINED CAPACITY	Jan 2007	% change vs Jan 06 Note (i)	% change vs Jan 06 Note (ii)
ASK (000)			
- China	671,612	916.4%	-4.6%
- North East Asia	1,272,113	15.8%	-0.4%
- South East Asia & Middle East	1,699,072	7.1%	2.7%
- Europe	1,580,538	7.6%	7.6%
- South West Pacific & South Africa	1,347,822	2.0%	2.0%
- North America	2,025,016	0.2%	0.2%
ASK Total (000)	8,596,173	13.7%	1.8%
Passenger load factor	77.0%	-3.4pt	-1.4pt
Available cargo/mail tonne km (000)	1,043,773	20.4%	-0.8%
Cargo and mail load factor	62.2%	0.3pt	-0.2pt
ATK (000)	1,861,302	17.3%	0.3%

Note: (i) Comparative figures excluding Dragonair 2006 traffic / capacity
(ii) Comparative figures including Dragonair 2006 traffic / capacity

FOR FURTHER INFORMATION PLEASE CONTACT:

Carolyn Leung, Corp Comm Mgr, Public Affairs, (852) 2747-5393 or 7901 5393 or 6053 6066

The Cathay Pacific Website can be found at www.cathaypacific.com