

Media Information

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FOR IMMEDIATE RELEASE

CATHAY PACIFIC RELEASES COMBINED TRAFFIC FIGURES FOR DECEMBER 2008

Cathay Pacific Airways today released combined Cathay Pacific and Dragonair traffic figures for December 2008 that show a slight decrease in the number of passengers carried compared to the same month in 2007, despite a capacity increase, and a substantial fall in cargo and mail tonnage.

In December, the two airlines carried a total of 2,110,719 passengers – down 0.3% on the same month in 2007 - while the load factor dipped by 1.8 percentage points to 79.0%. This compares to a 4.7% rise in passenger capacity, measured in available seat kilometres (ASKs), for the month. For 2008 as a whole, the number of passengers carried was 24,959,429 – a 7.3% rise, compared to a capacity increase of 12.7%.

Cathay Pacific and Dragonair carried a total of 115,232 tonnes of cargo and mail last month, down 23.9% on December 2007, while capacity, measured in available cargo/mail tonne kilometres, fell by 14.0%. The cargo and mail load factor dropped by 5.7 percentage points to 62.9%. For the year as a whole, cargo and mail tonnage fell to 1,644,785 tonnes – down 1.6% compared to a capacity rise of 0.7%.

Cathay Pacific General Manager Revenue Management Tom Owen said: “Our passenger traffic in December fell marginally compared to the previous year, while capacity over the same period grew. The actual passenger numbers in December, while appearing reasonable in the current weak trading environment, were due to active measures in various markets to stimulate volumes, assisted by the short Christmas leisure peak. Chasing the available Economy cabin demand however, coupled with the continued slump in premium traffic and weak Hong Kong route demand, led to lower yields per ticket - and we expect a similar situation for Chinese New Year. Meanwhile, the premium cabin performance continues to grind downwards.”

Cathay Pacific General Manager Cargo Sales & Marketing Titus Diu said: “There was no sign of any pre-Christmas rush in 2008 and weak demand globally led to tonnage falling faster than we could cut capacity. We saw a big decline in goods being carried from the Pearl and Yangtze River Deltas last month, causing a further slump in the Hong Kong market. We expect the market to remain weak in the first quarter of 2009 and we have revised our capacity to Europe and North America downwards in line with expected demand.”

The full figures are on the next page.

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CATHAY PACIFIC / DRAGONAIR COMBINED TRAFFIC	DEC 2008	% Change VS DEC 07	Cumulative DEC 2008	% Change YTD
RPK (000)				
- China	479,298	-3.0%	5,980,427	3.4%
- North East Asia	941,562	-8.7%	11,565,408	2.3%
- South East Asia & Middle East	1,668,995	17.3%	17,431,616	14.2%
- Europe	1,409,456	3.1%	16,894,421	2.9%
- South West Pacific & South Africa	1,486,315	16.3%	13,612,426	14.2%
- North America	1,806,267	-10.6%	25,490,783	20.8%
RPK Total (000)	7,791,893	2.4%	90,975,081	11.2%
Passengers carried	2,110,719	-0.3%	24,959,429	7.3%
Cargo and mail tonne km (000)	657,015	-21.2%	8,841,958	-0.7%
Cargo and mail carried (000kg)	115,232	-23.9%	1,644,785	-1.6%
Number of flights	5,032	2.1%	59,807	5.2%

CATHAY PACIFIC / DRAGONAIR COMBINED CAPACITY	DEC 2008	% Change VS DEC 07	Cumulative DEC 2008	% Change YTD
ASK (000)				
- China	738,554	9.8%	8,719,766	3.8%
- North East Asia	1,302,878	-2.7%	15,308,428	-0.4%
- South East Asia & Middle East	2,113,831	27.3%	22,528,127	17.2%
- Europe	1,764,069	6.7%	20,017,278	1.9%
- South West Pacific & South Africa	1,729,340	15.2%	17,688,793	21.3%
- North America	2,215,340	-14.8%	31,215,950	23.6%
ASK Total (000)	9,864,012	4.7%	115,478,342	12.7%
Passenger load factor	79.0%	-1.8pt	78.8%	-1.0pt
Available cargo/mail tonne km (000)	1,044,754	-14.0%	13,425,431	0.7%
Cargo and mail load factor	62.9%	-5.7pt	65.9%	-0.8pt
ATK (000)	1,983,765	-6.0%	24,409,874	5.8%

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