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CATHAY PACIFIC AIRWAYS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 293)

December 2012 Traffic Figures

The appended press release contains combined traffic figures for December 2012 for Cathay Pacific Airways Limited (“**Cathay Pacific**”) and its wholly owned subsidiary, Hong Kong Dragon Airlines Limited (“**Dragonair**”). The information in the press release may be price sensitive. This announcement containing the press release is accordingly being issued pursuant to Part XIVA of the Securities and Futures Ordinance. The information in the press release has been prepared on the basis of internal management records. It has not been audited or reviewed by external auditors.

This announcement is issued by Cathay Pacific pursuant to Part XIVA of the Securities and Futures Ordinance.

The information in this announcement has been prepared on the basis of internal management records. It has not been audited or reviewed by external auditors.

Investors are advised to exercise caution in dealing in shares of Cathay Pacific.

As at the date of this announcement, the Directors of Cathay Pacific are:

Executive Directors: Christopher Pratt (Chairman), James Barrington, Ivan Chu, Martin Murray and John Slosar;

Non-Executive Directors: Cai Jianjiang, Fan Cheng, James W.J. Hughes-Hallett, Peter Kilgour, Ian Shiu, Merlin Swire, Wang Changshun and Zhao Xiaohang; and

Independent Non-Executive Directors: Irene Lee, Jack So, Tung Chee Chen and Peter Wong.

By Order of the Board
Cathay Pacific Airways Limited
David Fu
Company Secretary

Hong Kong, 17th January 2013

17 January 2013

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES COMBINED TRAFFIC FIGURES
FOR DECEMBER 2012**

Cathay Pacific Airways today released combined Cathay Pacific and Dragonair traffic figures for December 2012 that show an increase for both passenger numbers and cargo and mail tonnage compared to the same month last year.

Cathay Pacific and Dragonair carried a total of 2,520,864 passengers in December – an increase of 2.5% compared to the same month last year. The passenger load factor rose by 1.1 percentage points to 80.7%, while capacity, measured in available seat kilometres (ASKs), fell by 4.5%. For 2012 as a whole, the number of passengers carried rose by 5.0% compared to a capacity increase of 2.6%. The year's load factor was 80.1%, down 0.3% on 2011.

The two airlines carried 146,897 tonnes of cargo and mail last month, an increase of 3.4% compared to December 2011. The cargo and mail load factor fell by 0.4 percentage points to 67.4%. Capacity, measured in available cargo/mail tonne kilometres, rose by 1.0%, while cargo and mail revenue tonne kilometres rose by 0.4%. For the whole of 2012, tonnage declined by 5.3% while capacity dropped by 3.1%.

Cathay Pacific General Manager Revenue Management James Tong said: "Our passenger capacity showed a year-on-year decline for the fourth month in a row, though the number of extra sectors operated over the Christmas peak was on a par with December 2011. Passenger demand held up in the Economy cabin in December, with high numbers travelling to key regional destinations over the holiday period. The reduction in capacity helped to push up yield on long-haul routes; however, the overall performance in the premium cabins was weaker than expected."

Cathay Pacific General Manager Cargo Sales & Marketing James Woodrow said: "December was the fourth month in a row that we saw year-on-year growth in tonnage. The cargo market had been in the doldrums since April 2011, so it was good to see the year ending on a stronger note. However, the cargo and mail tonnage carried in 2012 was still some way behind the 2010 total. We operated close to a full freighter schedule in December and added one more new destination to our freighter network, Colombo in Sri Lanka. As expected, demand tailed away significantly following the pre-Christmas rush."

The full December figures are on the next page.

CATHAY PACIFIC / DRAGONAIR COMBINED TRAFFIC	DEC	% Change	Cumulative	% Change
	2012	VS DEC 11	DEC 2012	YTD
RPK (000)				
- China	642,672	1.8%	7,955,119	6.1%
- North East Asia	1,074,418	-1.0%	12,166,262	9.2%
- South East Asia	1,366,369	12.4%	14,303,345	8.1%
- India, Middle East, Pakistan & Sri Lanka	702,691	-7.2%	8,337,908	-2.0%
- South West Pacific & South Africa	1,403,497	-5.5%	14,151,928	-2.8%
- North America	2,166,513	-10.4%	28,648,323	3.3%
- Europe	1,368,876	-3.3%	18,273,958	-3.1%
RPK Total (000)	8,725,036	-3.1%	103,836,843	2.3%
Passengers carried	2,520,864	2.5%	28,960,689	5.0%
Cargo and mail revenue tonne km (000)	849,666	0.4%	8,942,163	-7.3%
Cargo and mail carried (000kg)	146,897	3.4%	1,562,509	-5.3%
Number of flights	6,074	7.1%	68,499	7.0%

CATHAY PACIFIC / DRAGONAIR COMBINED CAPACITY	DEC	% Change	Cumulative	% Change
	2012	VS DEC 11	DEC 2012	YTD
ASK (000)				
- China	946,507	8.3%	11,012,532	8.2%
- North East Asia	1,500,249	4.8%	16,967,563	11.7%
- South East Asia	1,647,169	14.5%	18,030,809	12.6%
- India, Middle East, Pakistan & Sri Lanka	950,048	-4.7%	11,049,064	-3.6%
- South West Pacific & South Africa	1,630,143	-11.5%	18,303,838	-4.1%
- North America	2,469,664	-15.4%	32,721,959	2.8%
- Europe	1,664,777	-8.4%	21,509,094	-4.6%
ASK Total (000)	10,808,557	-4.5%	129,594,859	2.6%
Passenger load factor	80.7%	1.1pt	80.1%	-0.3pt
Available cargo/mail tonne km (000)	1,261,122	1.0%	13,925,962	-3.1%
Cargo and mail load factor	67.4%	-0.4pt	64.2%	-3.0pt
ATK (000)	2,288,995	-1.6%	26,249,947	-0.5%

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

Glossary

Terms:

Available seat kilometres (“ASK”)

Passenger seat capacity, measured in seats available for the carriage of passengers on each sector multiplied by the sector distance.

Available tonne kilometres (“ATK”)

Overall capacity measured in tonnes available for the carriage of passengers, excess baggage, cargo and mail on each sector multiplied by the sector distance.

Available cargo/mail tonne kilometres

Cargo capacity measured in tonnes available for the carriage of cargo and mail on each sector multiplied by the sector distance.

Revenue passenger kilometres (“RPK”)

Number of passengers carried on each sector multiplied by the sector distance.

Cargo and Mail revenue tonne kilometres

Traffic volume, measured in load tonnes from the carriage of cargo and mail on each sector multiplied by the sector distance.

Ratio:

$$\text{Passenger/Cargo and mail load factor} = \frac{\text{Revenue passenger kilometres/} \\ \text{Cargo and mail revenue tonne kilometres}}{\text{Available seat kilometres/} \\ \text{Available cargo and mail tonne kilometres}}$$