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CATHAY PACIFIC AIRWAYS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

Announcement Acquisition of Aircraft

On 10th July 2012, Cathay Pacific delivered into escrow a document which, if it is released from escrow, will become an agreement with Airbus S.A.S. under which CPAS will exercise its right (under the 2010 Purchase Agreement) to convert an existing order for 16 Airbus A350-900 aircraft into larger Airbus A350-1000 aircraft. Under the Agreement, CPAS will also exercise the option (under the 2010 Purchase Agreement) to purchase an additional 10 Airbus A350-1000 aircraft. The Agreement has not yet been formally considered by the Board and will not be released from escrow until such consideration takes place and the Agreement is approved by the Board. If the Agreement is not approved by the Board and as a result is not released from escrow, it will not come into effect. If the Agreement is entered into, the 26 Airbus A350-1000 aircraft will be delivered between 2018 and 2020.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 10th July 2012, Cathay Pacific delivered into escrow a document which, if it is released from escrow, will become an agreement with Airbus S.A.S. under which CPAS will exercise its right (under the 2010 Purchase Agreement) to convert an existing order for 16 Airbus A350-900 aircraft into larger Airbus A350-1000 aircraft. Under the Agreement, CPAS will also exercise the option (under the 2010 Purchase Agreement) to purchase an additional 10 Airbus A350-1000 aircraft. The Agreement has not yet been formally considered by the Board and will not be released from escrow until such consideration takes place and the Agreement is approved by the Board. That consideration is expected to take place when the Board meets on 8th August 2012. If the Agreement is not approved by the Board and as a result is not released from escrow, it will not come into effect. If the Agreement is entered into, the 26 Airbus A350-1000 aircraft will be delivered between 2018 and 2020.

Reference is made to the Company's announcement dated 16th September 2010 in respect of CPAS entering into the 2010 Purchase Agreement with Airbus S.A.S. for the purchase of 30 Airbus A350-900 aircraft at an aircraft basic price of approximately US\$7.82 billion (equivalent to approximately HK\$60.84 billion). The aircraft basic price comprises the airframe price, price of specification change notices,

and engine price. Accordingly, the aircraft basic price for the purchase of 16 Airbus A350-900 aircraft was US\$4.17 billion (equivalent to approximately HK\$32.45 billion). According to information provided to Cathay Pacific by Airbus S.A.S., the incremental aircraft basic price for the conversion of the existing order for 16 A350-900 aircraft into larger A350-1000 aircraft will be approximately US\$1.087 billion (equivalent to approximately HK\$8.457 billion).

According to information provided to Cathay Pacific by Airbus S.A.S., the aircraft basic price of the 10 Airbus A350-1000 to be purchased upon exercise of the option pursuant to the Agreement is approximately US\$3.286 billion (equivalent to approximately HK\$25.565 billion).

The actual consideration payable for the conversion of the existing order for 16 Airbus A350-900 aircraft into larger Airbus A350-1000 aircraft, reflecting arm's length negotiations between the parties, will be lower than the incremental aircraft basic price. The actual consideration payable for the acquisition of 10 Airbus A350-1000 aircraft, reflecting arm's length negotiations between the parties, will be lower than the aircraft basic price. The conversion of the existing order for 16 Airbus A350-900 aircraft into larger Airbus A350-1000 aircraft and the acquisition of 10 Airbus A350-1000 aircraft will be major transactions for Cathay Pacific under Chapter 14 of the Listing Rules. Accordingly, Cathay Pacific will make further announcement(s) if the Agreement is released from escrow.

Shareholders of and potential investors in Cathay Pacific are recommended to exercise caution when dealing in or investing in the 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.

Definitions

“2010 Purchase Agreement” The aircraft purchase agreement dated 16th September 2010 entered into by CPAS and Airbus S.A.S. pursuant to which CPAS has agreed to purchase and Airbus S.A.S. has agreed to sell certain Airbus A350 series aircraft.

“Agreement” The Agreement to which this announcement relates.

“Airbus Aircraft” The aircraft which are the subject of the Agreement.

“Airbus S.A.S.” Airbus S.A.S., legal successor of Airbus SNC, formerly known as Airbus GIE, a société par actions simplifiée duly created and

existing under the French law, the principal activity of which is aircraft manufacturing.

- “Board”** The board of directors of Cathay Pacific.
- “Cathay Pacific”
or “Company”** Cathay Pacific Airways Limited, a company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited, the principal activity of which is the operation of scheduled airline services.
- “CPAS”** Cathay Pacific Aircraft Services Limited, a company incorporated in the Isle of Man and wholly owned by Cathay Pacific, the principal activity of which is to act as an aircraft acquisition facilitator.
- “Listing Rules”** The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 10th July 2012