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CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

September 2017 Traffic Figures

The appended press release contains combined traffic figures for September 2017 for Cathay Pacific Airways Limited (“**Cathay Pacific**”) and its wholly owned subsidiary, Hong Kong Dragon Airlines Limited (“**Cathay Dragon**”). 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.

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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: John Slosar (Chairman), Rupert Hogg, Gregory Hughes, Paul Loo, Martin Murray;

Non-Executive Directors: Cai Jianjiang, Ivan Chu, Michelle Low, Song Zhiyong, Merlin Swire, Samuel Swire, Xiao Feng, Zhao Xiaohang;

Independent Non-Executive Directors: John Harrison, Irene Lee, Andrew Tung and Peter Wong.

By Order of the Board

Cathay Pacific Airways Limited

David Fu

Company Secretary

Hong Kong, 19th October 2017

19 October 2017

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES COMBINED TRAFFIC FIGURES
FOR SEPTEMBER 2017**

Cathay Pacific Airways today released combined Cathay Pacific and Cathay Dragon traffic figures for September 2017 that show a decrease in the number of passengers carried and an increase in cargo and mail uplifted compared to the same month in 2016.

Cathay Pacific and Cathay Dragon carried a total of 2,639,559 passengers last month – a decrease of 1.2% compared to September 2016. The passenger load factor dropped 2.3 percentage points to 81.0%, while capacity, measured in available seat kilometres (ASKs), increased by 2.4%. In the first nine months of 2017, the number of passenger carried increased by 0.1% while capacity rose by 2.0%.

The two airlines carried 177,691 tonnes of cargo and mail last month, an increase of 9.6% compared to the same month last year. The cargo and mail load factor rose by 3.1 percentage points to 68.1%. Capacity, measured in available cargo/mail tonne kilometres, was up by 2.6% while cargo and mail revenue tonne kilometres (RTKs) increased by 7.5%. In the first nine months of 2017, the tonnage rose by 11.6% against a 3.2% increase in capacity and a 9.3% increase in RTKs.

Cathay Pacific Director Commercial and Cargo Ronald Lam said: “Strong frontend momentum proved to be the driver for our passenger business in September, which was a result of growing demand for business traffic. After a generally lacklustre start, which was reflected by a low load factor, backend demand steadily increased and was strong in the lead up to the National Day and Mid-Autumn Festival holiday week in early October. Headwinds in the form of revenue decline persisted in several of our key long-haul markets, although our routes to Japan proved particularly popular, with a significant increase in demand recorded.

“Meanwhile, the performance of our cargo business remained robust. We ramped up our freighter capacity on transpacific, India and China routes to commensurate with growing demand, and also added a charter operation to the United States. Tonnage growth was well ahead of capacity growth, with a commendable load factor achieved on both long-haul routes as well as regional services. The week of 17-23 September saw us break the company’s all time weekly uplift tonnage record. A high freight load factor has also helped to underpin a sustained recovery in cargo yields.”

The full September figures are on the next page.

CATHAY PACIFIC / CATHAY DRAGON COMBINED TRAFFIC	SEP	% Change	Cumulative	% Change
	2017	VS SEP 2016	SEP 2017	YTD
RPK (000)				
- Mainland China	716,078	-1.7%	6,845,910	-0.2%
- North East Asia	1,130,351	-1.3%	11,758,539	1.4%
- South East Asia	1,301,189	-2.5%	13,145,054	-2.6%
- India, Middle East, Pakistan & Sri Lanka	550,861	-5.3%	5,257,721	-5.9%
- South West Pacific & South Africa	1,378,008	1.0%	12,769,300	-0.5%
- North America	2,536,634	-5.1%	25,989,035	0.1%
- Europe	2,257,846	8.1%	19,149,028	13.7%
RPK Total (000)	9,870,967	-0.4%	94,914,587	1.9%
Passengers carried	2,639,559	-1.2%	25,999,652	0.1%
Cargo and mail revenue tonne km (000)	991,734	7.5%	8,431,688	9.3%
Cargo and mail carried (000kg)	177,691	9.6%	1,495,322	11.6%
Number of flights	6,473	0.6%	59,778	0.9%

CATHAY PACIFIC / CATHAY DRAGON COMBINED CAPACITY	SEP	% Change	Cumulative	% Change
	2017	VS SEP 2016	SEP 2017	YTD
ASK (000)				
- Mainland China	990,821	0.7%	8,812,408	1.3%
- North East Asia	1,405,388	-6.9%	14,175,880	-2.7%
- South East Asia	1,665,597	-1.2%	15,669,327	-1.7%
- India, Middle East, Pakistan & Sri Lanka	678,086	-10.2%	6,305,265	-9.3%
- South West Pacific & South Africa	1,621,148	3.9%	15,037,508	2.5%
- North America	3,220,815	5.5%	30,477,609	2.8%
- Europe	2,601,181	10.6%	21,493,101	11.7%
ASK Total (000)	12,183,036	2.4%	111,971,098	2.0%
Passenger load factor	81.0%	-2.3pt	84.8%	-0.1pt
Available cargo/mail tonne km (000)	1,455,981	2.6%	12,649,658	3.2%
Cargo and mail load factor	68.1%	3.1pt	66.7%	3.8pt
ATK (000)	2,614,470	2.5%	23,296,305	2.7%

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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:

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