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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)

July 2018 Traffic Figures

The appended press release contains combined traffic figures for July 2018 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, 17th August 2018

17 August 2018

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES COMBINED TRAFFIC FIGURES
FOR JULY 2018**

Cathay Pacific Group today released combined Cathay Pacific and Cathay Dragon traffic figures for July 2018 that show an increase in both the number of passengers carried and cargo and mail uplifted compared to the same month in 2017.

Cathay Pacific and Cathay Dragon carried a total of 3,152,973 passengers last month – an increase of 1.1% compared to July 2017. The passenger load factor eased slightly to 86.7%, while capacity, measured in available seat kilometres (ASKs), increased by 2.8%. In the first seven months of 2018, the number of passenger carried grew by 1.8% while capacity increased by 3.1%.

The two airlines carried 184,935 tonnes of cargo and mail last month, an increase of 2.9% compared to the same month last year. The cargo and mail load factor rose by 1.6 percentage points to 70.3%. Capacity, measured in available freight tonne kilometres (AFTKs), was down by 0.3% while cargo and mail revenue freight tonne kilometres (RFTKs) increased by 2.1%. In the first seven months of 2018, the tonnage rose by 6.8% against a 3.4% increase in capacity and a 6.4% increase in RFTKs.

Cathay Pacific Director Commercial and Cargo Ronald Lam said: “Although July is traditionally one of the slower months in terms of business travel, we observed strong demand for our premium cabins during the period. There were also improved yields in the economy cabin, particularly on short haul routes. Traffic on our European routes remained particularly strong, with our new flights flights to Brussels, Dublin and Copenhagen continuing to build up momentum during the summer peak.

“Meanwhile, our cargo business continues to be steady, with tonnage in July recording year-on-year growth from a high base. Transshipment volumes increased, in particular from Japan, Southeast and America, while the load factor and yield maintained a high level. We continue to closely monitor the external factors that have the potential to impact global trade.”

The full July figures are on the next page.

| CATHAY PACIFIC / CATHAY DRAGON COMBINED TRAFFIC | JUL 2018 | % Change VS JUL 2017 | Cumulative JUL 2018 | % Change YTD |
|--|-------------|-------------------------|------------------------|--------------------|
| RPK (000) | | | | |
| - Mainland China | 842,157 | -0.5% | 5,431,749 | 2.6% |
| - North East Asia | 1,390,486 | 0.7% | 9,333,192 | 1.4% |
| - South East Asia | 1,563,909 | 0.8% | 10,461,016 | 1.2% |
| - India, Middle East, Pakistan & Sri Lanka | 603,703 | 0.2% | 4,092,992 | -1.3% |
| - South West Pacific & South Africa | 1,419,184 | -0.1% | 10,058,098 | 0.6% |
| - North America | 3,282,499 | 1.3% | 20,479,904 | 1.2% |
| - Europe | 2,743,153 | 9.9% | 15,798,054 | 8.5% |
| RPK Total (000) | 11,845,091 | 2.7% | 75,655,005 | 2.5% |
| Passengers carried | 3,152,973 | 1.1% | 20,637,677 | 1.8% |
| Cargo and mail revenue tonne km (000) | 1,051,350 | 2.1% | 6,882,025 | 6.4% |
| Cargo and mail carried (000kg) | 184,935 | 2.9% | 1,223,186 | 6.8% |
| Number of flights | 7,059 | 1.3% | 47,503 | 2.2% |

| CATHAY PACIFIC / CATHAY DRAGON COMBINED CAPACITY | JUL 2018 | % Change VS JUL 2017 | Cumulative JUL 2018 | % Change YTD |
|---|-------------|-------------------------|------------------------|--------------------|
| ASK (000) | | | | |
| - Mainland China | 1,005,077 | 1.7% | 6,904,851 | 0.8% |
| - North East Asia | 1,745,338 | 5.5% | 11,434,022 | 2.6% |
| - South East Asia | 1,877,382 | 3.1% | 12,619,244 | 3.0% |
| - India, Middle East, Pakistan & Sri Lanka | 695,051 | 0.0% | 4,979,022 | 0.9% |
| - South West Pacific & South Africa | 1,751,287 | 3.7% | 12,272,473 | 4.4% |
| - North America | 3,611,401 | -3.8% | 23,102,911 | -1.9% |
| - Europe | 2,979,569 | 11.0% | 18,122,963 | 11.6% |
| ASK Total (000) | 13,665,105 | 2.8% | 89,435,486 | 3.1% |
| Passenger load factor | 86.7% | -0.1pt | 84.6% | -0.5pt |
| Available cargo/mail tonne km (000) | 1,496,162 | -0.3% | 10,038,559 | 3.4% |
| Cargo and mail load factor | 70.3% | 1.6pt | 68.6% | 2.0pt |
| ATK (000) | 2,795,251 | 1.1% | 18,542,101 | 3.3% |

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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:

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