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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)

Trading Statement

In the interim report for 2016 of Cathay Pacific Airways Limited ("Cathay Pacific"), it was indicated that the operating environment in the second half of the year was expected to continue to be affected by the same adverse factors as in the first half and that the overall business outlook remained challenging.

When the interim report was issued, it was expected that, as is normal for seasonal reasons (and notwithstanding the adverse factors referred to in the report), the Cathay Pacific group's results for the second half of 2016 would be better than those of the first half, when the consolidated profit attributable to shareholders was HK\$353 million.

Since the interim report was issued, the outlook for our airlines' business has deteriorated. Overcapacity and strong competition is putting particular pressure on our passenger business, with continued shortfalls in revenue compared with forecasts and heavy pressure on yield.

Against this difficult revenue picture, we are engaged in a critical review of our business, the goal of which is to improve revenues and to reduce costs so as to maintain a strong financial position and to deliver acceptable financial returns. The review will consider all options for improving efficiency and productivity. At the same time, we understand the need to continue to invest in our businesses and to improve continuously the products and services which we provide to our customers.

Against this background, it is no longer expected that the Cathay Pacific group's results for the second half of 2016 will be better than those of the first half.

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

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), Ivan Chu, Rupert Hogg, Martin Murray, Algernon Yau;

Non-Executive Directors: Cai Jianjiang, Martin Cubbon, Fan Cheng, Ian Shiu, Song Zhiyong, Merlin Swire, Samuel Swire, Zhao Xiaohang;

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

By Order of the Board

CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

David Fu

Company Secretary

Hong Kong, 12th October 2016