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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 2020 Traffic Figures**

The appended press release contains combined traffic figures for September 2020 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.

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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: Patrick Healy (Chairman), Gregory Hughes, Ronald Lam, Martin Murray, Augustus Tang;

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

Independent Non-Executive Directors: Bernard Chan, John Harrison, Robert Milton and Andrew Tung.

By Order of the Board

**Cathay Pacific Airways Limited**

Paul Chow

Company Secretary

Hong Kong, 19th October 2020

19 October 2020

**FOR IMMEDIATE RELEASE**

**CATHAY PACIFIC RELEASES COMBINED TRAFFIC FIGURES  
FOR SEPTEMBER 2020**

The Cathay Pacific Group today released its combined traffic figures for September 2020 that continued to reflect the airlines' substantial capacity reductions in response to significantly reduced demand as well as travel restrictions and quarantine requirements in place in Hong Kong and other markets amid the ongoing global COVID-19 pandemic.

Cathay Pacific and Cathay Dragon carried a total of 47,061 passengers last month, a decrease of 98.1% compared to September 2019. The month's revenue passenger kilometres (RPKs) fell 97% year-on-year. Passenger load factor dropped by 48.8 percentage points to 24.9%, while capacity, measured in available seat kilometres (ASKs), decreased by 91%. In the first nine months of 2020, the number of passengers carried dropped by 83.2% against a 74.8% decrease in capacity and an 81% decrease in RPKs, as compared to the same period for 2019.

The two airlines carried 109,453 tonnes of cargo and mail last month, a decrease of 36.6% compared to September 2019. The month's revenue freight tonne kilometres (RFTKs) fell 30.4% year-on-year. The cargo and mail load factor increased by 9.8 percentage points to 75.3%, while capacity, measured in available freight tonne kilometres (AFTKs), was down by 39.5%. In the first nine months of 2020, the tonnage fell by 33.9% against a 34.9% drop in capacity and a 26.9% decrease in RFTKs, as compared to the same period for 2019.

**Passenger**

Cathay Pacific Group Chief Customer and Commercial Officer Ronald Lam said: "September rounded off what has been an incredibly difficult summer, traditionally the peak passenger travel season of the year. We continued to operate minimal capacity – just 9% in September – a marginal month-on-month increase from about 8% in August. This was despite the resumption of some services, notably Cebu and Perth. Daily passenger numbers remained low, averaging just 1,568, while load factor sat at about 25%.

"In September, we continued to rely heavily on student traffic to the UK. We launched three charter services from Hong Kong to London to cater to demand from transit passengers from the Chinese mainland, and another from Hong Kong to Tel Aviv for transit passengers from Shanghai. Demand from the Chinese mainland has gradually increased since the lifting of the ban in Hong Kong of ex-Chinese mainland transit travel in mid-August. Overall, transit passengers accounted for about 33% of our total traffic in September.

## **Cargo**

“Cargo demand has begun to ramp up across the network as we entered into the traditional peak season. Tonnage carried improved about 7% month-on-month, though this was still substantially below pre-COVID-19 levels. Our freighter fleet schedule has been stepped up and is now operating at peak season levels, with services notably increased on Trans-Pacific routes. We also operated a greater number of cargo-only passenger flights compared to August – 525 pairs in total – and continued to charter Air Hong Kong flights to complement our freighter and passenger schedules.

“In September, we began uplifting mail for Hongkong Post in our passenger cabins using our reconfigured Boeing 777-300ER “preighters”, which have had some of the Economy Class seats removed to provide additional cargo space. This aircraft was also deployed to run a new, temporary service to Pittsburgh serving the seasonal upsurge in demand.”

## **Outlook**

The 2020 summer season has been an especially difficult one for the entire aviation industry. The International Air Transport Association (IATA) has since downgraded its full-year 2020 passenger traffic forecast to reflect a drop of 66% and does not anticipate passenger travel will return to pre-COVID-19 levels until 2024. Meanwhile, cargo demand remains depressed and is only recovering at a slower-than-expected pace due to capacity constraints.

Lam said: “After carefully studying numerous scenarios facing the industry and our airlines, we expect we will be operating approximately 10% of our pre-pandemic passenger flight capacity for the rest of 2020 and under 50% for overall 2021.

“Among the multiple scenarios studied, this one is already the most optimistic that we can responsibly adopt at this moment. We assume we will be operating well below a quarter of pre-pandemic capacity in the first half of next year but will see a recovery in the second half of the year – only assuming the vaccines currently under development prove to be effective and are widely adopted in our key markets by summer 2021.

The full September figures are on the next page.

<b>CATHAY PACIFIC / CATHAY DRAGON COMBINED TRAFFIC</b>	SEP	% Change	Cumulative	% Change
	2020	VS SEP 2019	SEP 2020	YTD
RPK (000)				
- Chinese mainland	9,481	-98.2%	779,314	-88.1%
- North East Asia	5,276	-99.5%	2,024,924	-83.5%
- South East Asia	17,796	-98.4%	2,367,748	-81.9%
- South Asia, Middle East & Africa	-	-100.0%	1,449,874	-81.4%
- South West Pacific	22,819	-98.1%	3,176,943	-73.1%
- North America	88,558	-96.4%	5,585,296	-79.8%
- Europe	157,768	-94.3%	4,051,129	-82.4%
RPK Total (000)	301,698	-97.0%	19,435,228	-81.0%
Passengers carried	47,061	-98.1%	4,514,910	-83.2%
Cargo and mail revenue tonne km (000)	668,278	-30.4%	6,077,220	-26.9%
Cargo and mail carried (000kg)	109,453	-36.6%	980,228	-33.9%
Number of flights	1,283	-80.3%	19,292	-68.6%

<b>CATHAY PACIFIC / CATHAY DRAGON COMBINED CAPACITY</b>	SEP	% Change	Cumulative	% Change
	2020	VS SEP 2019	SEP 2020	YTD
ASK (000)				
- Chinese mainland	41,256	-95.4%	1,350,587	-84.5%
- North East Asia	34,534	-97.9%	3,071,749	-80.3%
- South East Asia	91,329	-94.5%	3,960,314	-75.3%
- South Asia, Middle East & Africa	-	-100.0%	2,278,996	-75.8%
- South West Pacific	153,259	-89.4%	4,761,427	-65.7%
- North America	516,497	-85.7%	9,304,983	-72.0%
- Europe	377,102	-88.1%	6,373,892	-75.9%
ASK Total (000)	1,213,977	-91.0%	31,101,948	-74.8%
Passenger load factor	24.9%	-48.8pt	62.5%	-20.3pt
Available cargo/mail tonne km (000)	887,471	-39.5%	8,542,575	-34.9%
Cargo and mail load factor	75.3%	9.8pt	71.1%	7.8pt
ATK (000)	1,003,011	-63.5%	11,499,933	-53.7%

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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:

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