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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)

**Settlement Agreement in Respect of
United States Passenger Antitrust Class Action**

Cathay Pacific Airways Limited (“**Cathay Pacific**” or the “**Company**”) has entered into a settlement agreement (the “**Settlement Agreement**”) in respect of the United States civil passenger antitrust class action in which it is a defendant. Under the Settlement Agreement, which is subject to approval by the United States District Court for the Northern District of California, Cathay Pacific has agreed to make a payment of US\$7.5 million to settle this litigation. Cathay Pacific does not acknowledge any wrongdoing or liability in the Settlement Agreement and there is no admission of any wrongdoing or liability in the Settlement Agreement. An amount sufficient to cover the settlement was provided in the accounts of the Company before 2014. Accordingly, the settlement is not expected to have a material effect on the results of the Company to be reported in the future.

Along with other airlines, the Company is a defendant in a United States civil antitrust class action in respect of its transpacific passenger operations. Cathay Pacific has entered into the Settlement Agreement in respect of this civil action. Under the Settlement Agreement (which is subject to approval by the United States District Court for the Northern District of California), Cathay Pacific has agreed to make a payment of US\$7.5 million to settle the class action. Cathay Pacific does not acknowledge any wrongdoing or liability in the Settlement Agreement and there is no admission of any wrongdoing or liability in the Settlement Agreement. An amount sufficient to cover the settlement was provided in the accounts of the Company before 2014. Accordingly, the settlement is not expected to have a material effect on the results of the Company to be reported in the future.

Cathay Pacific remains committed to its long standing policy of full compliance with all applicable laws and is satisfied that it has taken the best possible corrective actions to remain consistent with this policy.

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), James Barrington, Ivan Chu, Rupert Hogg, Martin Murray;

Non-Executive Directors: Cai Jianjiang, Fan Cheng, James W.J. Hughes-Hallett, Peter Kilgour, Ian Shiu, Song Zhiyong, Merlin Swire, Zhao Xiaohang;

Independent Non-Executive Directors: Irene Lee, Jack So, Tung Chee Chen and Peter Wong.

By Order of the Board

Cathay Pacific Airways Limited

David Fu

Company Secretary

Hong Kong, 23rd July 2014