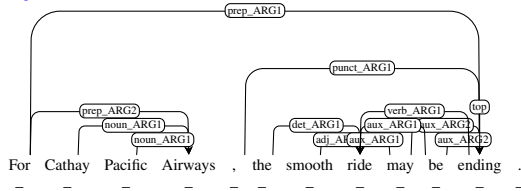
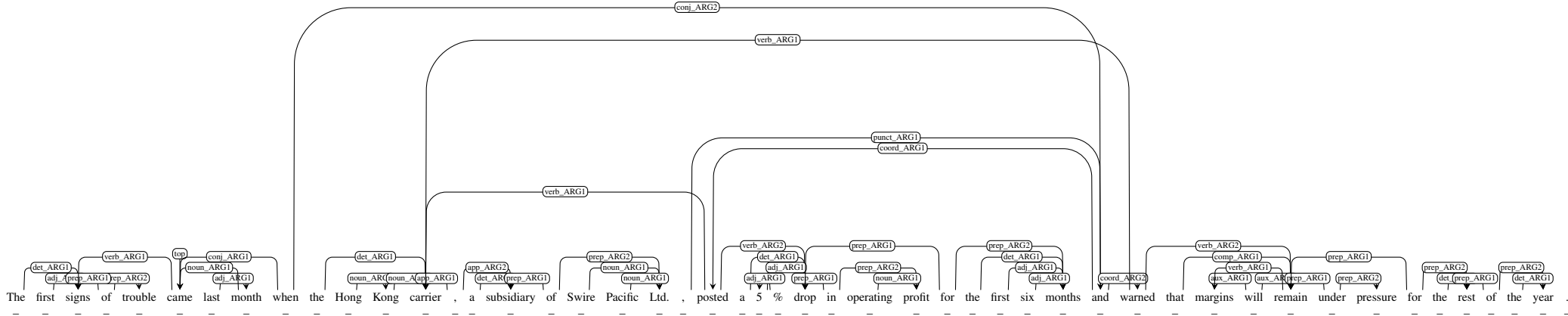


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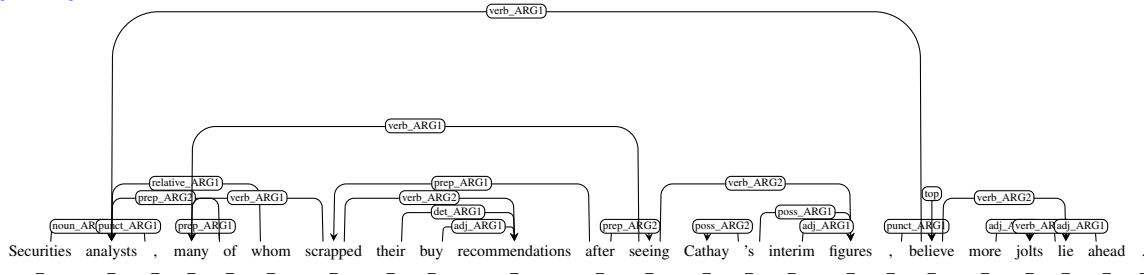
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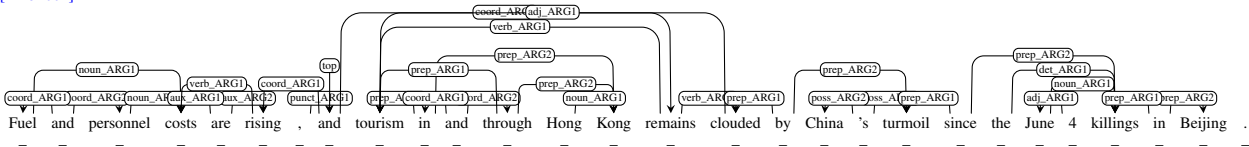
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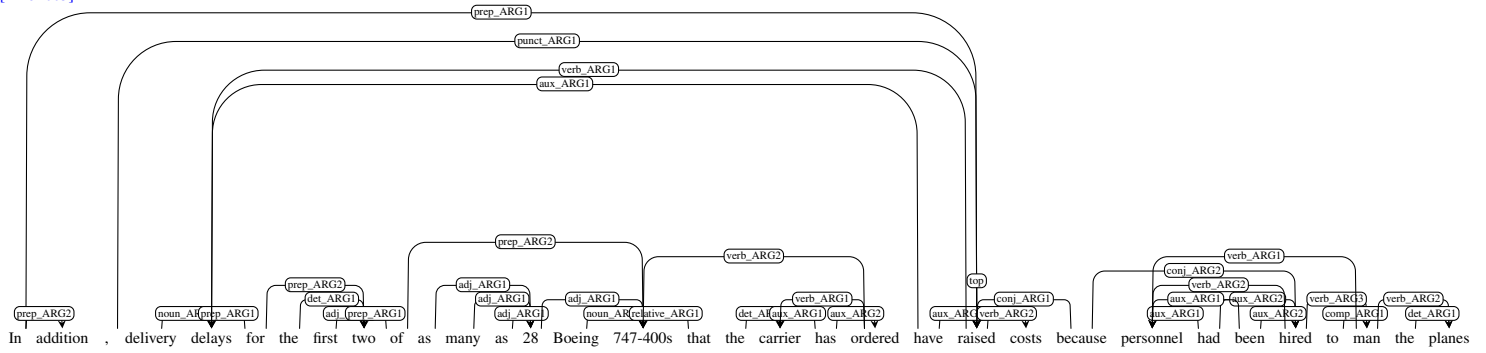
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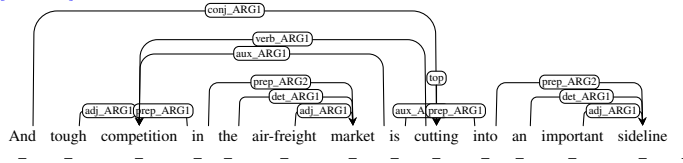
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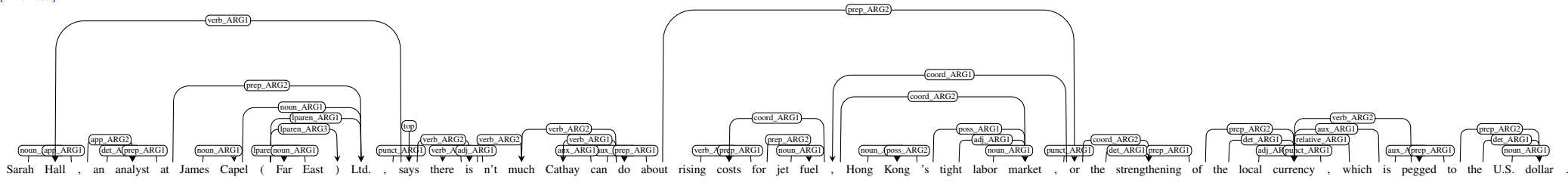
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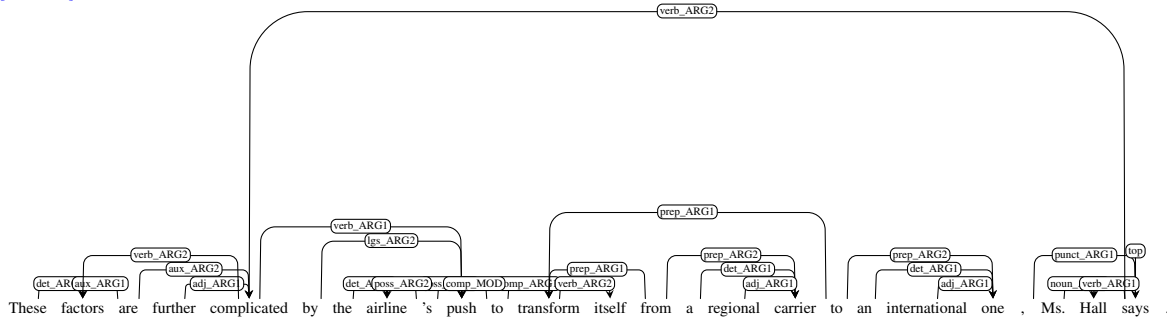
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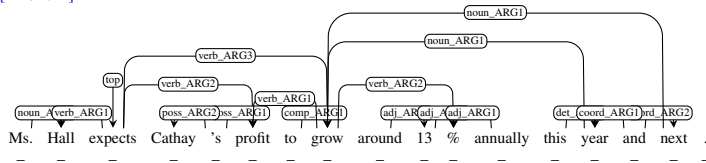
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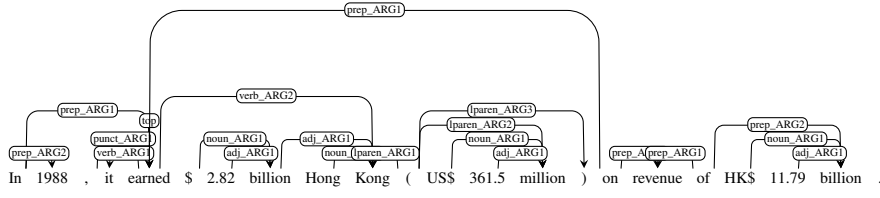
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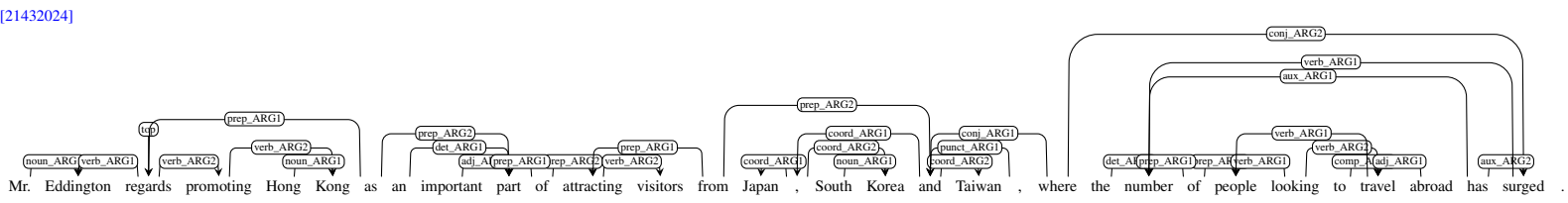
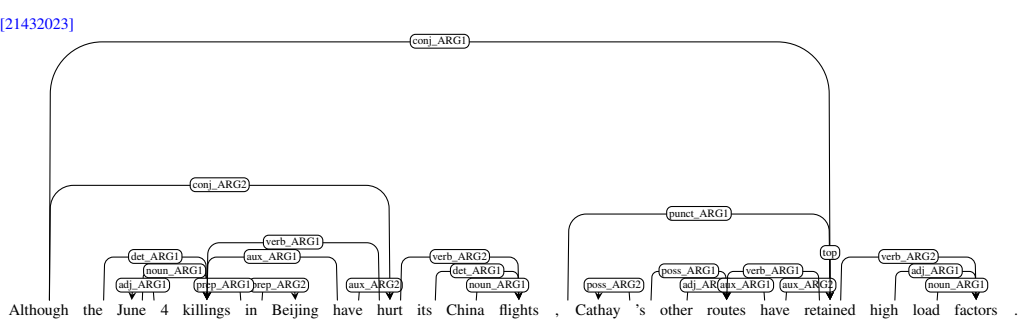
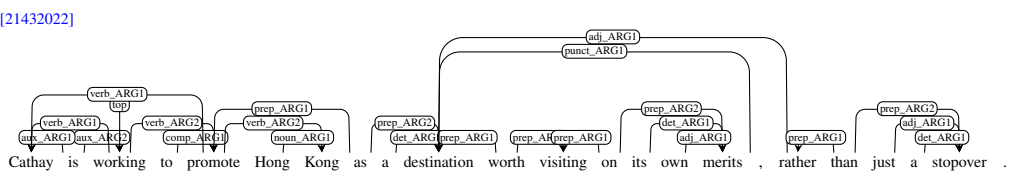
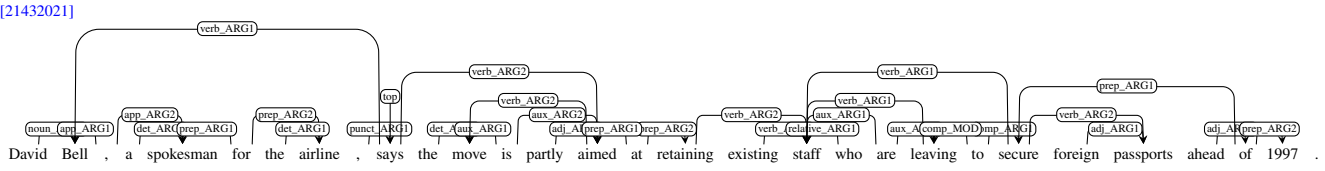
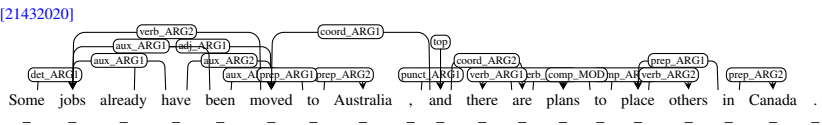
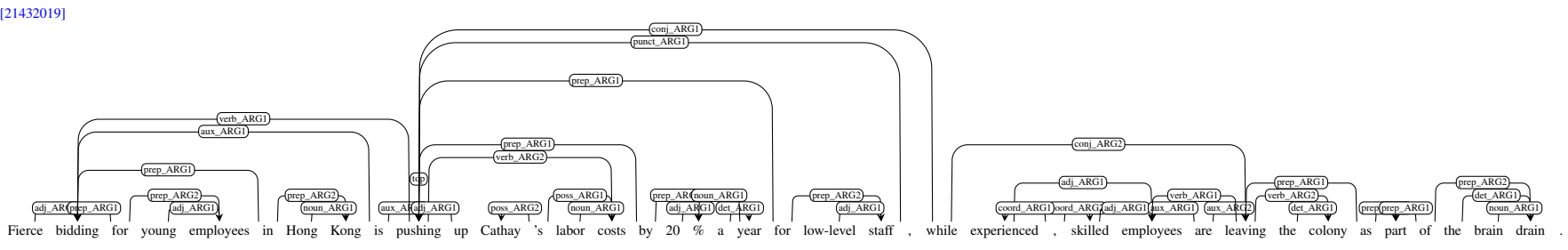
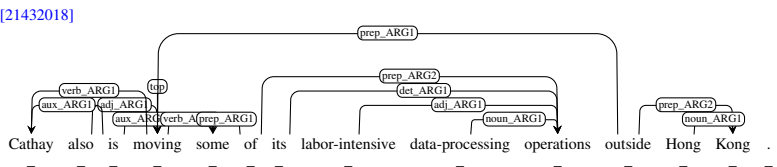
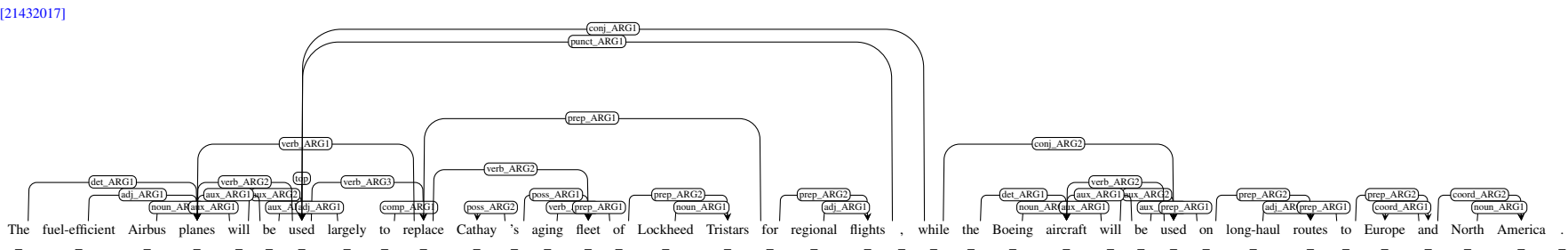
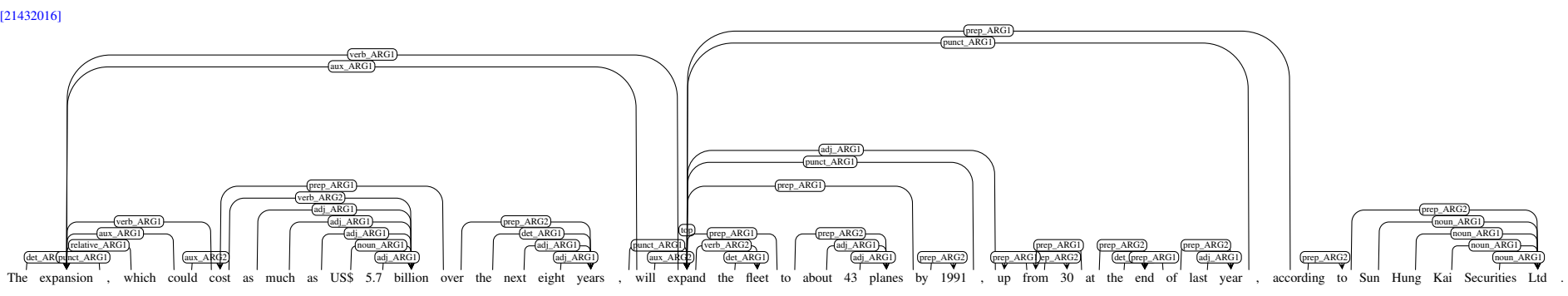
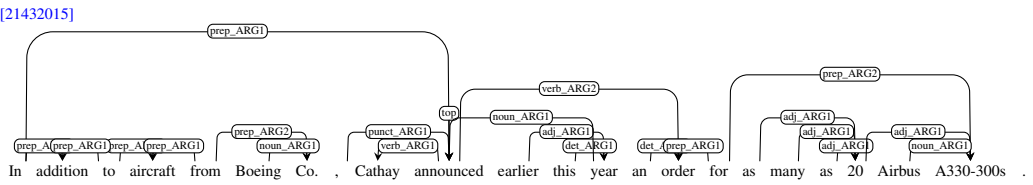
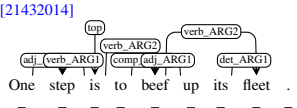
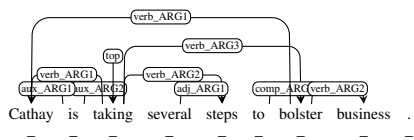
[21432011]



[21432012]



[21432013]



There also has been speculation that Cathay will be among the major private-sector participants in the Hong Kong government's plans to build a new airport, with the carrier possibly investing in its own terminal.

Cathay officials decline to comment on the speculation.

Mr. Eddington sees alliances with other carriers — particularly Cathay's recent link with AMR Corp.'s American Airlines — as an important part of Cathay's strategy.

Analysts believe Cathay is approached for such swaps by other carriers on a regular basis, particularly as the popularity of share exchanges has grown among European carriers.

"We think alliances are very important," Mr. Eddington says.

"But we'd rather put funds into our own business rather than someone else's.

"I'm not sure cross-ownership would necessarily make things smoother."

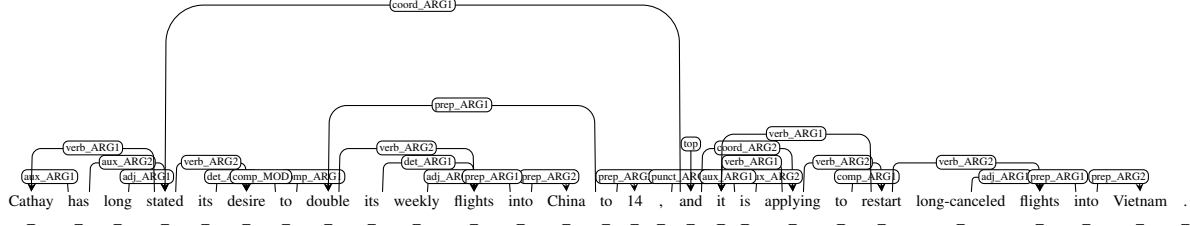
"We'll never have a big operation in the U.S., and they'll never have one as big as us in the Pacific," Mr. Eddington says.

"But this way, American will coordinate good extensions to Boston, New York, Chicago and Dallas.

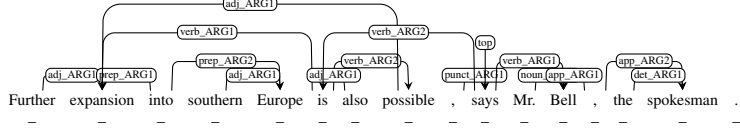
"We'll coordinate on this end to places like Bangkok, Singapore and Manila."

Asian traffic, which currently accounts for 65% of Cathay's business, is expected to continue as the carrier's mainstay.

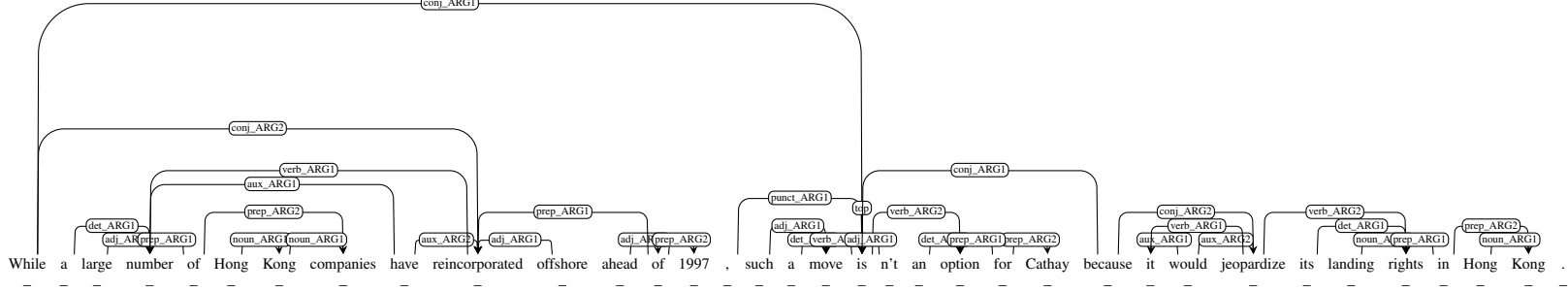
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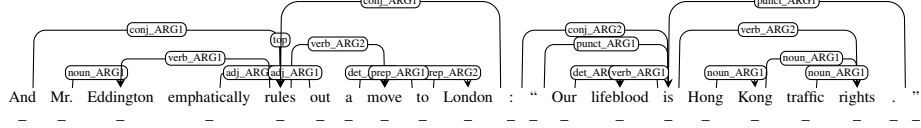
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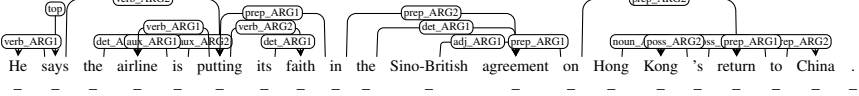
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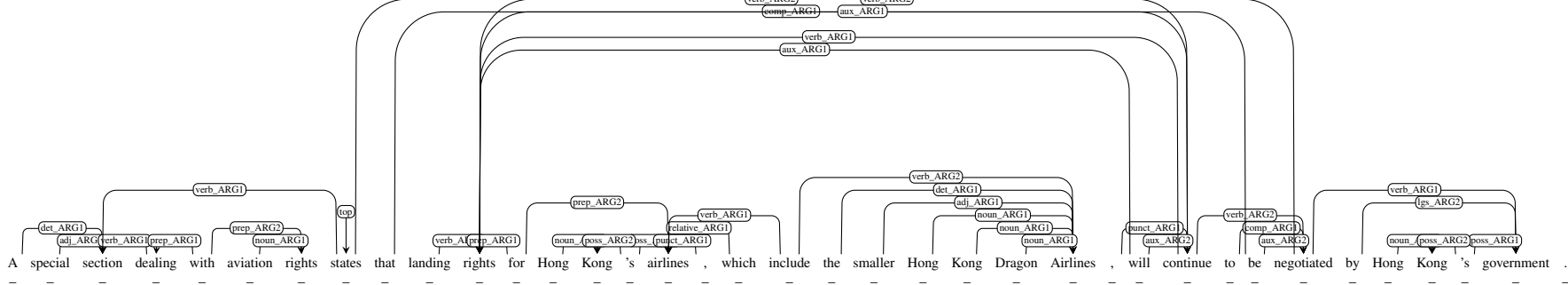
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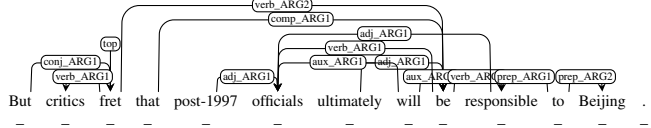
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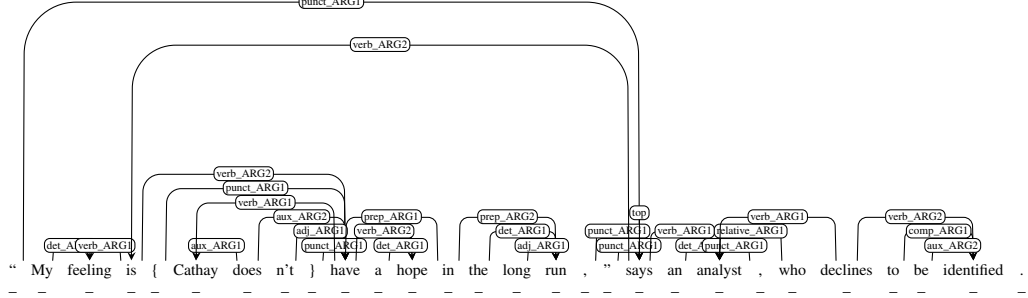
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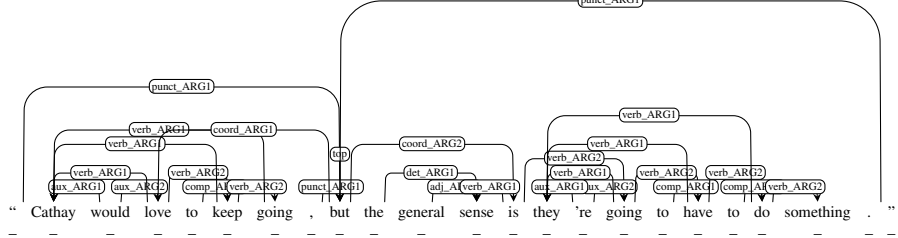
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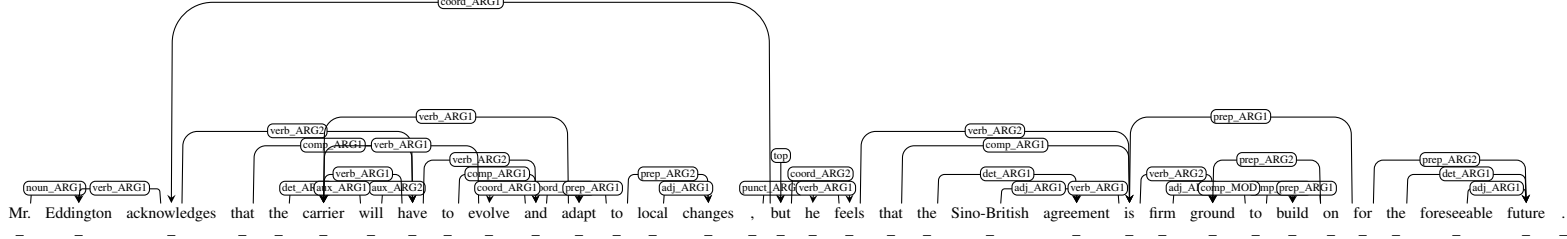
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[21432046]



[21432047]



[21432048]

