

FOR IMMEDIATE RELEASE

Cathay Pacific Studio^{CX} to be powered by Panasonic

Hong Kong (September 5, 2007) Hong Kong-based airline Cathay Pacific Airways has chosen Panasonic to provide a complete in-flight entertainment (IFE) solution, including a total care maintenance package and the industry leading eX2 IFE system, to power its prestigious in-flight entertainment suite known as Studio^{CX}. The eX2 system will be operated on the airline's long-haul fleet consisting of Boeing 747-400s, Boeing 777-300ERs and Airbus A330 and A340 aircraft. The airline's first eX2 flight took place on a retrofitted B747-400 in June this year followed by a production fit of eX2 on an A330-300 in August.

eX2 is the latest product in Panasonic's X Series product line. This advanced in-flight entertainment and communication system provides airlines with a much larger media storage capacity, bigger system bandwidth, more integrated applications at seat, more passengers per audio/video server and faster loading times.

Cathay Pacific's Studio^{CX} features 50 on-demand movies including Hollywood blockbuster titles, over 100 TV programs, including popular Asian and western offerings, and a riveting selection of crystal-clear audio that includes 22 radio programs and over 160 CD albums. To further enhance its passengers' viewing comfort, Cathay has opted for much larger LCD displays for the premium cabins in its latest long-haul in-flight product with 16:9 (widescreen) viewing format 17" and 15" LCD displays respectively in the First and Business Class seats. The coach-class seat features a smaller 16:9 viewing format 9" LCD displays which was carefully tailored for comfortable viewing. Passengers in First and Business will utilize the premium handset which features an innovative color LCD display allowing the passengers to view their IFE selections.

Cathay Pacific has also signed a multi-year Total Care Package (TCP) maintenance contract with Panasonic to support the daily operations of its eX2-equipped aircraft. Panasonic will provide the support using its highly skilled technicians on-site and work in conjunction with Hong Kong-based maintenance provider HAECO during maintenance. The agreement requires Panasonic to provide a one-stop-shop solution covering all on-aircraft labor, logistics, spares, repairs, and media loading. Panasonic's TCP provides total support for the system, ensuring the highest performance and best experience for passengers and crews.

"Our decision to select Panasonic's eX2 system was based on a number of key considerations," says Sarah Blomfield, Manager Product of Cathay Pacific. "We felt that eX2 system has features and capabilities that would meet our specific requirements, and that by leveraging on its fully digitized backbone the system could provide us with a much faster processing speed and superior display quality. Panasonic has vast experience in managing complicated program deliveries and maintenance support, which is in line with Cathay Pacific's aim of providing our passengers with a superior in-flight experience."

"We are proud to work so closely with Cathay Pacific providing a total IFE solution further assuring their passengers have an inspiring in-flight experience. Our advanced eX2 product and Total Care Package are designed to perfectly compliment Cathay Pacific's in-flight entertainment vision," states Paul Margis, Chief Executive Officer of Panasonic Avionics Corporation.

About Panasonic Avionics Corporation

Panasonic Avionics Corporation is the world's leading supplier of in-flight entertainment and communication systems. Panasonic systems are flying with over 200 customers worldwide deployed on over 3,000 aircraft. Headquartered in Lake Forest, California, Panasonic Avionics Corporation employs approximately 2,500 employees based in over 70 locations worldwide.

Panasonic Avionics Corporation is a subsidiary of **Panasonic Corporation North America**. Based in Secaucus, NJ, Panasonic is the principal North American subsidiary of **Matsushita Electric Industrial Co., Ltd.** (NYSE: MC) and the hub of Panasonic's US marketing, sales and service operations. Additional information on Panasonic Avionics Corporation is available at www.panasonic.aero. Additional information on Matsushita Electric and Panasonic is available at www.panasonic.com.

About Cathay Pacific Airways

Cathay Pacific Airways is an international airline registered and based in Hong Kong, offering scheduled passenger and cargo services to 104 destinations in 35 countries and territories. The airline operates a fleet of 107 wide-bodied aircraft and has a total of 34 aircraft on firm order. Its extensive investments in Hong Kong include catering, aircraft maintenance and ground-handling companies.

Dragonair, a Hong Kong-based carrier with an extensive network in Mainland China, is a wholly owned subsidiary of Cathay Pacific. The airline also has a 17.5% stake in Air China and is the major shareholder in all-cargo carrier Air Hong Kong. Cathay Pacific and its subsidiaries employ more than 25,000 people around the world.

Additional information can be found at www.cathaypacific.com.