

DS/003/T.7

30th January 2017

Mr. Moremi Marwa
The Chief Executive Officer
Dar-es-Salaam Stock Exchange
P.O. Box 70081,
14th Floor,
PSPF Golden Jubilee Towers,
Ohio Street,
DAR ES SALAAM.

Dear Mr. Marwa,

PRESS RELEASE

Enclosed herewith for the information of the Dar-es-Salaam Stock Exchange is a copy of a Press Release to be issued by Kenya Airways.

Yours sincerely



Teodosia Osir (Mrs.)
For: Company Secretary

Encl.



PRESS STATEMENT

KENYA AIRWAYS OPERATING PERFORMANCE; 3RD QTR- OCTOBER – DECEMBER 2016

...The recovery strategy continues to bear fruits as airline celebrates 40 years of operations

- Capacity management remains tight for the period as planned
- Passenger numbers up 4.8%
- Cabin factor up 4%

NAIROBI, January 30, 2017...Kenya Airways PLC (KQ) continued to reaffirm its progress towards recovery with its third quarter operating results ended 31 December, 2016.

The airline put into the market place a total capacity of 3,553 million seat kilometres compared to 3,676 million offered in a similar period prior year, representing a 3.4% reduction year on year. During this quarter the airline continued its network optimisation, enhancing operations into the Indian Ocean Island of Zanzibar via Kilimanjaro and to Capetown via Livingstone.

The capacity offered into Europe, using the Boeing 787, remained largely at par with the prior year. Capacity offered into the Middle East, China and India declined compared to same period the prior year as the airline deployed the Boeing 787-8 and Boeing 737-800 aircraft, as compared to the higher capacity Boeing 777-300 largely used in the previous year.

During the period the airline continued to invest in Africa, its mainstay. Capacity offered to Northern Africa region grew by 9.6% compared to prior year driven by increased frequencies to Addis Ababa and Juba. In the East African region capacity grew by 7.1% driven by more operations on the Boeing 737-800, which has a higher capacity, and additional frequencies.

Capacity offered into West, South and Central African regions grew by 2.5% compared to same period in the prior year with the introduction of the Nairobi-Entebbe-Bangui route, as well as the Nairobi-Doula-Bangui flight. The airline, however, suspended Gaborone and Abuja operations in November in an effort to optimise operations in Africa during the quarter.

Additional frequencies offered by Jambojet into Ukunda, Malindi and Lamu saw capacity on the domestic front grow by 1.5% during this quarter compared to the same period the prior year.

During this quarter the airline continued to operate a smaller fleet more efficiently, as part of its recovery strategy. The total passengers uplifted by the more efficient airline stood at 1.12 million, 4.8 % growth, achieving a cabin factor of 72% compared to 68% achieved during the same period last year.



Passenger traffic measured in revenue passenger kilometers at 2,556 million grew by 2.3% compared to the same quarter prior year.

The passenger uplift to Europe stood at 102,749, a growth of 2.8%, despite a 0.7% capacity decline, driving the seat occupancy level to a higher Cabin Factor of 83% compared to prior year's 80%.

Despite a reduction of 15.6% in capacity, the uplifted passenger traffic at 138,700 in the Middle East and Far East regions showed a decline of 6.8% on prior year level, but an improvement of 5.3% from 65.9% to 71.2% cabin factor.

Passenger numbers in Africa, excluding Kenya, continued to grow. Passengers uplifted stood at 530,842, a 5.2% growth, during the quarter compared to same period the prior year. The achieved passenger Cabin Factor improved by 3.4% to 65.6% compared to prior year.

In Kenya, passenger uplift grew to 347,136, a 10.3% increase, driving Cabin Factor up by 3.3% to 79.0%

The reduced capacity in the network impacted cargo. Belly cargo available tonne kilometers (ATKs) declined by 11% while the revenue kilometres (RTKs) reduced by 6% compared to prior year due to a reduction in wide body capacity in line with the fleet rationalisation.

Ends//...

Aviation Jargon:

- **Available Seat Kilometre (ASK):** The basic Measure of capacity/production. One seat (empty or filled) flying one km is an ASK. E.g.: A 234-seater 787 flying a 500-km segment creates 117,000 ASKs (number of seats x return distance)
- **Revenue Passenger Kilometres (RPK):** This measures actual passenger traffic and is the basic measure of utilized capacity. A paying passenger flying one km creates an RPK. E.g.: 144 passengers flying 500KMs generates 72,000 RPKs.
- **Cabin Factor (CF):** Utilised capacity compared to available capacity. To calculate cabin factor, divide RPK by ASK

About Kenya Airways

Kenya Airways, a member of the Sky Team Alliance, is a leading African airline flying to 52 destinations worldwide, 42 of which are in Africa and carries over three million passengers annually. It continues to modernize its fleet with its 41 aircraft being some of the youngest in Africa. This includes its flagship B787 Dreamliner aircrafts. The on-board service is renowned and the lie-flat business class seat on the wide-body aircraft is consistently voted among the world's top 10. Kenya Airways takes pride for being in the forefront of connecting Africa to the World and the World to Africa through its hub at the new ultra-modern Terminal 1A at the Jomo Kenyatta International Airport in Nairobi. Kenya Airways celebrated 40 years of operations in January 2017. For more information, please visit www.kenya-airways.com.