

PRESS RELEASE

KENYA AIRWAYS OPERATING PERFORMANCE: 3rd QTR – OCT to DEC 2008

Kenya Airways releases its operating results for the third quarter ended 31st Dec 2008.

The airline offered a capacity of 3,035m seat kilometres to the market during this quarter with a growth of 7% over prior year's level of 2,835m seat kilometres in the same period. The growth was mainly the result of the additional operations to Guangzhou, the daily Lusaka night time flights introduced in the summer of this year and increased frequencies to Lagos.

In the European region capacity went down by 3% below prior year driven by the downgrade of the larger B777 flights to the B767 on the Amsterdam route despite increased direct operations to London. The Mid East, Far East and Asia region registered a capacity growth of 18% against prior year driven by increased frequencies to Dubai and Guangzhou.

Capacity into the Northern Africa region decreased by 6% as a result of reduced trips into Djibouti through Addis Ababa while within East Africa although the direct operations to both Kigali and Bujumbura increased substantially the capacity in the region still reduced by 2% compared to prior year driven by DAR operations now operated by PrecisionAir in a joint venture arrangement on the route.

Southern Africa region recorded a capacity growth of 14% over prior year from the additional daily night flights to Lusaka and increased wide-body operations to Johannesburg compared to prior year's flights on the narrower B737s. Within the West Africa region capacity grew by 13% arising from additional wide body operations to Accra, Monrovia and Cameroon coupled with increased frequencies to Lagos and into Freetown through Accra.

Seats offered in the Domestic market, increased by 2% compared to prior year due to continuous operation into Kisumu this quarter in a larger Embraer instead of the smaller SAABs as compared to the suspended service on the route in November 2007.

The uptake of capacity at 2,112m revenue passenger kilometres was higher than last year's level of 2,039m resulting in a growth rate of 4% driven mainly by increased passenger carrying in West Africa, Southern Africa, the Far East region and Domestic. For the same reasons the total passenger traffic increased by 2% to 742,118 compared to 729,546 for same period prior year.

Cargo volumes uplifted at 14,006 tonnes reduced by 14% against prior year mainly due to the response to capacity cutbacks on Amsterdam and Mumbai operations.

The average cabin factor achieved across the network marginally reduced to 69.6% compared to 71.9% obtained in the prior year due to slow uptake of additional capacity especially in the Far East and the Southern Africa regions.

Passenger uplift to Europe declined by 2% compared to last year due to the reduced capacity deployed into Amsterdam. The achieved cabin factor of 70.3% was however an improvement on previous year's 69.6% for the same period from better performance on London and Paris operations.

The 116,683 passengers carried in the Mid, Far East and Asia regions were at the same level as prior year with a cabin factor of 69.8% compared to 78.2% achieved in the prior year driven by shortfalls in traffic growth on Dubai direct, Bangkok/Hong Kong and Dubai Guangzhou routes.

In the African market but excluding Kenya, total passengers uplifted were 388,199 compared to 379,247 for prior year indicating a growth of 2%. The increase was mainly in the Southern Africa and West Africa regions following positive uptake of the increased capacity to these regions.

Within Kenya the passengers carried at 140,305 were 4% above prior year's level of 135,386 following the utilisation of the Embraer especially on the Kisumu route. The resulting cabin factor of 74.8% was 1.2 percentage points below prior year as growth in passenger carrying failed to match the capacity growth.

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