

PRESS RELEASE

KENYA AIRWAYS OPERATING PERFORMANCE: 3rd QTR – OCT to DEC 2009

Kenya Airways releases its operating results for the third quarter ended 31st Dec 2009.

The airline put into the market place capacity of 3,179m seat kilometres representing a year on year growth of 5%. This increase, though largely attributable to the successful launches of operations into seven new destinations within Africa in 2009, was adversely impacted by the delayed replacement of one B767 whose lease expired within the first quarter of the year. The reduction of global traffic also necessitated tactical capacity cut-backs in Europe and Asia.

Capacity offered in Europe only declined by 3% over prior year despite significant reductions in London and Amsterdam driven by the global economic crisis. The capacity reduction was partly mitigated by additional frequencies mounted to Charles de Gaulle in order to take advantage of our expanded network into the Francophone Africa. The Mid East, Far East and Asia regions also registered a capacity decline of 3% over prior year mainly due to change in operations into Guangzhou now connecting through Bangkok instead of Dubai, as well as operational constraints occasioned by fewer wide body aircraft.

The Northern Africa region registered a capacity growth of 13% over prior year made possible by the increased frequencies to Khartoum and Cairo on the larger B737-800 compared to the B737-700 operated last year, as well as additional services into Djibouti via Addis Ababa. The growth into the East African region remained impressive at 20% over prior year arising from increased operations into Bujumbura, Kigali, Seychelles, Dzaoudzi and Moroni.

The seat kilometres offered in the Southern Africa region recorded a 15% growth against last year because of the additional operations to Lusaka, Lilongwe, Johannesburg, Harare, Lubumbashi and Maputo. The introduction of N'Dola and Gaborone launched in the second quarter of the year also contributed to capacity growth. The 19% capacity increase in the West Africa region was the result of commencement of operations to Libreville, Malabo and Bangui all via Douala; as well as Brazzaville and Kisangani connecting through Kinshasa and Entebbe respectively.

Capacity offered in the Domestic market reduced by 5% despite the 8% growth in Mombasa, because of the suspended operations of Lamu and Malindi, coupled with the temporary closure of Kisumu Airport due to repairs of the runway until early December 2009

Take up of the capacity at 2,142m measured in Revenue Passenger Kilometres indicates a modest growth of 1%, while the passenger count closed on 773,079 representing a 4.2% increase over prior year.

The cargo business seems to be making some recovery from the unprecedented declines witnessed in the previous quarters to record a 9% growth from prior year's level of 14,006 tons.

The network average cabin factor at 67.4% was lower than 69.6% obtained last year because of the slow uptake of extra capacity arising from entry into new markets as well as the recession in the airline industry.

Passenger numbers to Europe at 97,252 remained flat against prior year while the achieved cabin factor grew slightly to 71.8% due to the tactical cut-backs mentioned above.

In the Mid, Far East and Asia regions passengers carried grew by 3% to 120,577 while the resultant average cabin factor of 71.2% was better than 69.8% achieved last year.

Passenger numbers carried within Africa but excluding Kenya, totalled 421,949 indicating a growth of 9% against prior year, but the average cabin factor of 61.6% represents a 7.0 percentage point year on year drop in occupancy underpinning the impact of venturing into new market territories.

Passengers uplifted within Kenya at 133,301 were 5% below prior year's level due to the suspension of the services to other towns besides Mombasa, but the cabin factor was impressive at 75.9%.

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