

KENYA AIRWAYS OPERATING PERFORMANCE, 1st QTR – APR to JUN 2007

Kenya Airways releases its operating results for the first quarter ended 30th June 2007.

Capacity of 2,634m measured in seat kilometres was put to the market during the quarter which represents a growth of 13% against prior year same period where 2,339m seat kilometres were offered.

In the European region capacity grew by 8% as a result of the introduction of three weekly frequencies to Charles de Gaulle, France from October 2006.

Within the Middle East, capacity increased by 10% due to deployment of the larger B777s on Mumbai and Dubai while in the Far East and Asia region capacity was up 18% mainly due to the additional frequency into Guangzhou, China via Dubai.

Capacity in Northern Africa region grew by 4% from increased operations into Djibouti and the use of the larger B737-800s in comparison to the B737-700s that were operated in the prior year. In Eastern Africa, capacity was up 23% due to the Mayotte and Comoros operations that commenced in November 2006 and the larger B777 operation into Entebbe.

For the Southern Africa region capacity was 4% higher than prior year mainly due to an additional direct service into Lubumbashi and the increase in use of the wide-body aircraft on the Johannesburg route. Western Africa region registered a capacity growth of 28% resulting from the inauguration of flights to Monrovia (Liberia) and Cotonou (Benin) beginning March 2007, increased frequencies to Lagos, Kinshasa and Dakar through Bamako coupled with daily operations into Cameroon.

Within the Kenyan market, capacity grew by 8% due to increased operations to Mombasa mainly attributable to operation of the larger B738s compared to the B732s replaced towards the end of the prior year.

Capacity uptake at 1,776m revenue passenger kilometres resulted in 8% growth against prior year's level of 1,646m. Total passengers carried at 640,128 were 9% higher than prior year's level of 585,786.

Cargo volume uplifted was 14,844 tonnes representing a 7% increase on prior year mainly in Europe, Southern Africa and the Far East and Asia regions. The improved cargo volume growth has been made possible by increased belly space provided by intra-Africa operations on B767s.

The resultant average cabin factor at 67.4% was lower than prior year's 70.4% partly due to increased competition especially in the Middle East and African markets.

Passenger uplift in the European region remained flat against prior year despite increase in capacity an indication of slow market growth on the Paris service that started late 2006. The resulting cabin factor of 67.1% was lower than 72.7% achieved in the previous year.

Middle East region experienced passenger increase of 5%. However, the achieved cabin factor of 70.7% was three percentage points behind prior year emphasising the increased competition within the region. In the Far East region passengers grew by 17% mainly on the Guangzhou via Dubai route a reflection of positive response to the increase in capacity. The cabin factor for the Far East region was 72.7% better than the prior year's level of 72.4%.

Within Africa but excluding Kenya, passengers carried at 325,317 resulted in 15% growth compared to last year's level of 282,361 attributable to increased capacity through utilisation of the larger B777s and B763s in the region and the introduction of new routes namely; Dzaoudzi, Mayotte, Monrovia and Cotonou. The achieved cabin factor of 64.2% compares to 65.8 achieved prior year.

On the domestic market passenger numbers went up 2% mainly on the Mombasa route but the resultant cabin factor of 70.6% was lower than 74.4% achieved in the first quarter last year.

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