



Kenya Airways Investor Briefing

21 • MARCH • 2018

For The 9 Months Period Ended 31ST December 2017

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The management of Kenya Airways believes these measures provide valuable additional information in understanding of the Kenya Airways business because they provide measures used by the company to assess information.

Although these measures are important in the management of the business, they should not be viewed as replacement for, but rather complementary to the comparable GAAP measures.



Agenda

- 2017 Perspectives
- Financial Results

Change of Financial Year



**9 Months Period
Ended 31ST
December 2017**

① 2017 PERSPECTIVES



Key Achievements



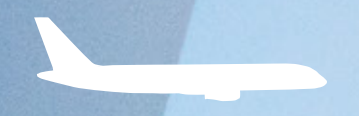
**Passengers
Numbers at
3.4 M**



**76.2%
Cabin
Factor**



**Revenue
Passenger
Kilometers
at 8.1 M**



Network Expansion



**Cape Town Route:
Increased Frequency**



**Victoria Falls:
New Route**

A World-Class African Airline



Kenya Airways Won Best Business Class In Africa Five Years In A Row In 2017 (WTA)



African Airline Of The Year 2017 (WTA)
Two Years In A Row



Best Airline Company In Kenya In 2017 At The Jumia Travel Awards 2018.



Best Airline Under The Aviation Sector Category At The Digital Inclusion Awards, 2017.



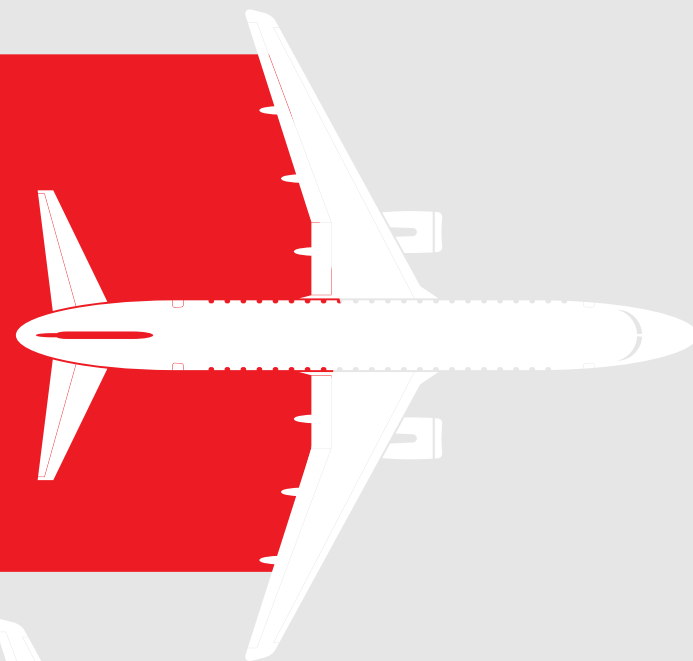
M-Safiri was awarded Gold For The 'Best Use Of Photography' At The Annual International Content Marketing Awards OTP Performance



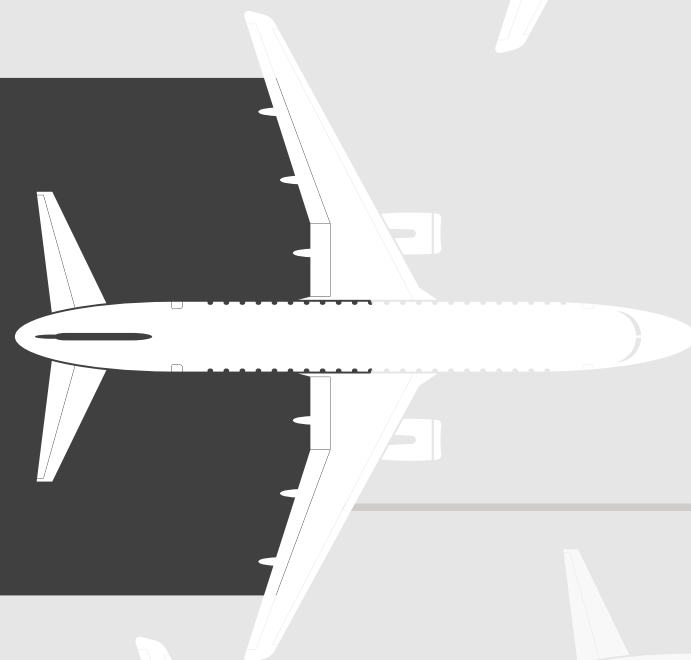
Global and African Aviation



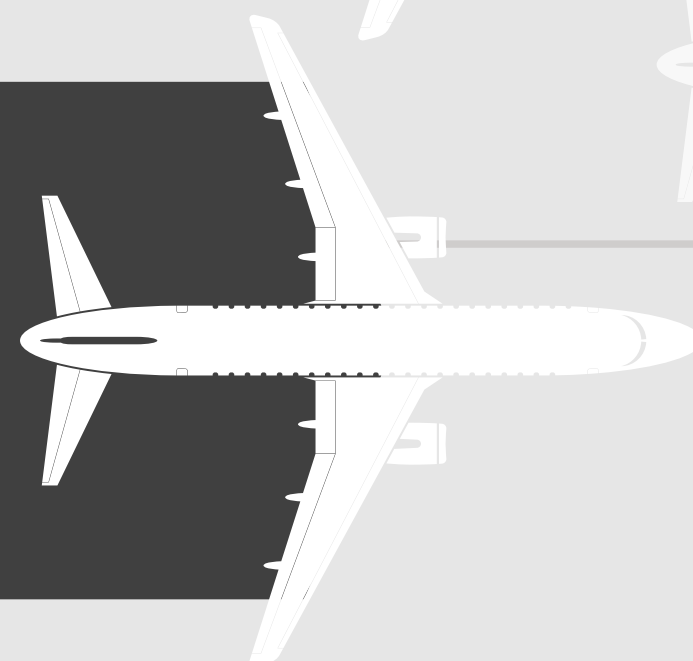
**1% Of World GDP Spent
On Air Transport In 2017**



**International RPKs Grew
By 7.9% in 2017 Relative
to 2016**



**RPKs by African Carriers
Grew by 7.5% in 2017
Relative to 2016**



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Elections in Kenya

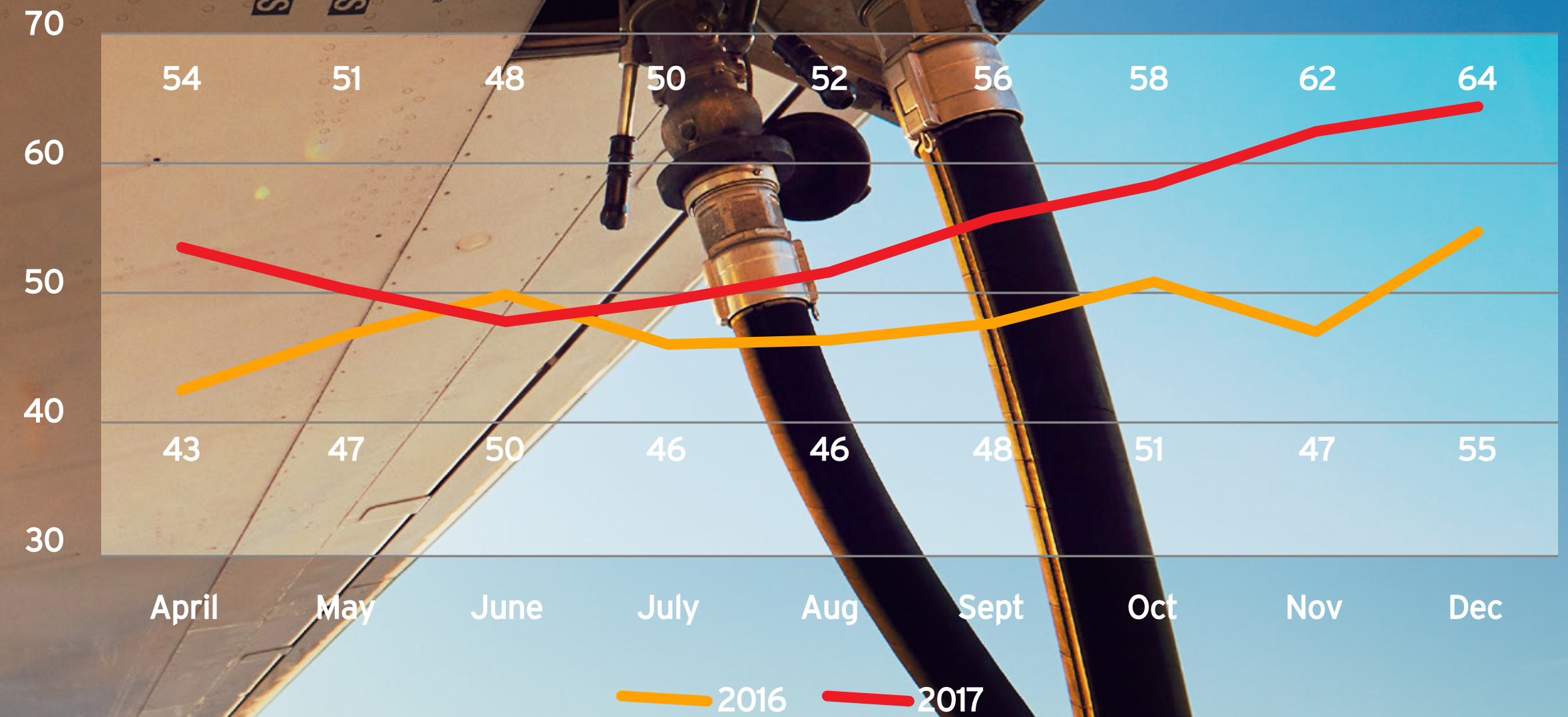


- Kenya Private Sector Alliance lost Sh700 billion due to the prolonged polls.
- Losses from the prolonged electioneering period hit KSh130 billion and estimated at 1 percent of GDP.
- KQ Domestic Traffic dropped by 20%



Fuel Volatility

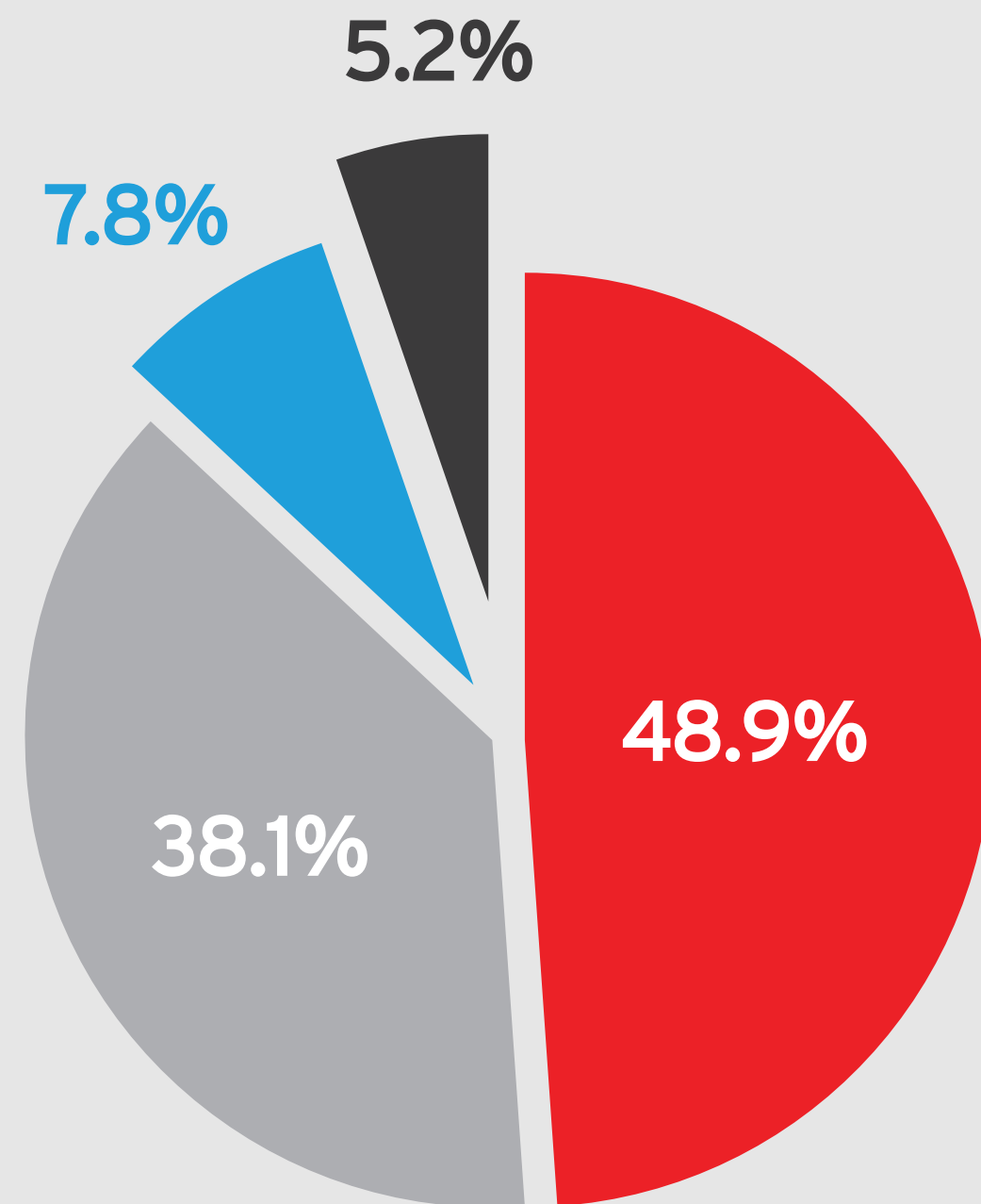
- Oil Prices Up in 2017 by 14%
- Rising costs is the biggest challenge to profitability.



Shareholding Structure



Following The Financial Restructuring Kenya Airways Introduced A New Shareholding Structure



No.	Institution	New Structure	Old Structure
1	Government of Kenya	48.9%	29.8%
2	KQ Lenders 2017 Ltd	38.1%	-
3	KLM	7.8%	26.7%
4	Minority Shareholders	2.8%	43.4%
5	ESOP (Employee Share Ownership Plan)	2.4%	0.1%
Total		100%	100%

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FINANCIAL RESULTS



Financial Highlights



Total Overheads
KShs 15.5 Billion



Operating Profit
KShs 1.3 Billion

Loss After Tax
KShs 6.1 Billion

Operating Statistics



	Nine Months to 31 December 2017	Twelve Months to 31 March 2017
ASK's (mil)	10,596	14,194
RPK's (mil)	8,079	10,261
Cabin Factor %	76.2%	72.3%
Passengers ('000s)	3,433	4,460
Yield per RPK incl YR(USc)	8.09	8.68
Exchange Rate (KSh/US\$)	103.39	100.90
Cargo Tonnes	47,908	56,825
Employees	3,558	3,582

Summary Consolidated Income Statement

	Nine Months to 31 December 2017 KShs Mil	Twelve Months to 31 March 2017 KShs Mil
Revenue	80,799	106,277
Total operating costs	(79,493)	(105,380)
Operating profit	1,306	897
Operating margin (%)	1.6%	0.8%
Other costs	(7,275)	(11,099)
Loss before tax	(5,969)	(10,202)
Income tax (expense)/credit	(112)	246
Loss after tax	(6,081)	(9,956)



Summary Consolidated Statement of Financial Position



	31 December 2017 KShs Mil	31 Mar 2017 KShs Mil
ASSETS		
Non-current assets	118,214	119,397
Current assets	21,892	26,756
TOTAL ASSETS	140,106	146,153
EQUITY AND LIABILITIES		
Equity attributable to owners	417	(44,964)
Non-controlling interest	53	49
Total equity	470	(44,915)
Liabilities		
Non - current liabilities	87,635	119,758
Current liabilities	52,001	71,310
	139,636	191,068
TOTAL EQUITY AND LIABILITIES	140,106	146,153



Summary Consolidated Statement Of Cashflows



	31 December 2017 (9 months) KShs Mil	31 March 2017 (12 months) KShs Mil
CASHFLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	11,595	13,440
Interest received	32	62
Interest paid	(4,923)	(7,392)
Income tax paid	(43)	(156)
NET CASH GENERATED FROM OPERATING ACTIVITIES	6,661	5,954
CASH FLOWS (USED IN)/ FROM INVESTING ACTIVITIES	(2,197)	615
CASH FLOWS USED IN FINANCING ACTIVITIES	(7,294)	(2,210)
(DECREASE) / INCREASE IN CASH AND CASH EQUIV	(2,830)	4,359
CASH & CASH EQUIV AT BEG OF PERIOD / YEAR	9,186	4,827
CASH & CASH EQUIV AT END OF PERIOD / YEAR	6,356	9,186

Summary Consolidated Statement of Changes in Equity

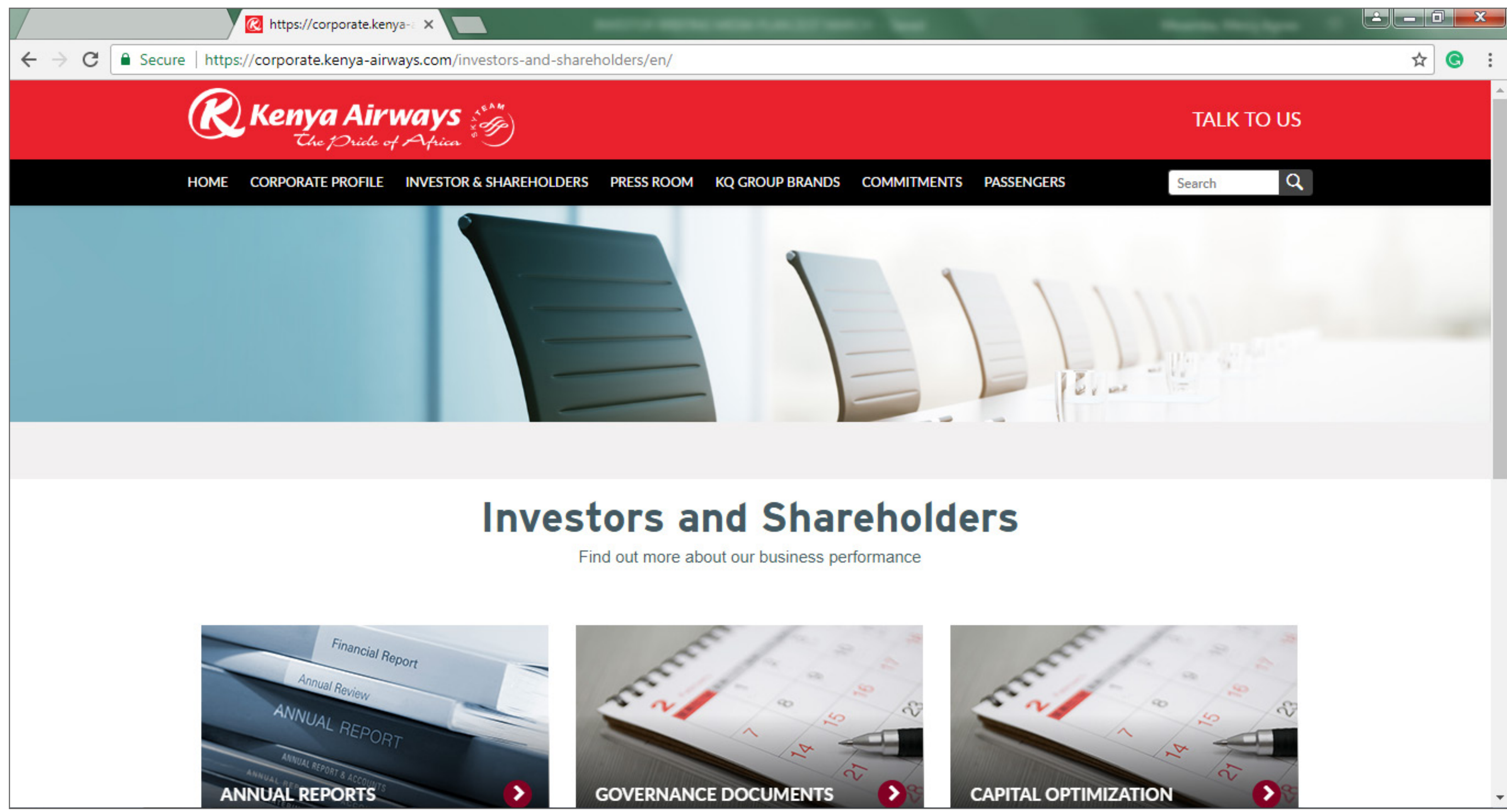


	Share capital KShs Mil	Share Premi- um KShs Mil	Mandatory Convertible Note	Treasury Shares	Reserves	Non- Controlling Interest	Total Equity
At 1 April 2017	7,482	8,670	-	-	(61,116)	49	(44,915)
Change in par value	(7,107)	7,107	-	-	-	-	-
Issue of ord. shares thro conversion of debt	5,307	35,987	-	-	-	-	41,294
Issue of mandatory convertible note	-	-	11,465	-	-	-	11,465
Expenses directly attributable to restructuring	-	(2,543)	-	-	-	-	(2,543)
Issue of shares to employees share ownership scheme	142	-	-	(142)	-	-	-
Total comprehensive loss for the period	-	-	-	-	(4,835)	4	(4,831)
At 31 December 2017	5,824	49,221	11,465	(142)	(65,951)	53	470

Operating Profit and Loss Before Tax



 **corporate.kenya-airways.com**



The screenshot shows a web browser window with the URL <https://corporate.kenya-airways.com/investors-and-shareholders/en/>. The page features the Kenya Airways logo with the tagline "The Pride of Africa" and a "TALK TO US" button. A navigation menu includes links for HOME, CORPORATE PROFILE, INVESTOR & SHAREHOLDERS, PRESS ROOM, KQ GROUP BRANDS, COMMITMENTS, and PASSENGERS, along with a search bar. The main content area has a background image of a conference room and a heading "Investors and Shareholders" with the subtext "Find out more about our business performance". Below this are three featured sections: "ANNUAL REPORTS" (with an image of reports), "GOVERNANCE DOCUMENTS" (with an image of a calendar), and "CAPITAL OPTIMIZATION" (with an image of a calendar).

**A New
Way to
Engage**

