PRESS RELEASE

KENYA AIRWAYS OPERATING PERFORMANCE, 3rd QTR – OCT to DEC 2006

Kenya Airways releases its operating results for the third quarter ended 31st December, 2006.

A capacity of 2,564m measured in seat kilometres was put to the market during the quarter which represents a growth of 10% against prior year period where only 2,326m seat kilometres were offered.

Capacity within the European region reduced by 3% following the downgrading of some the operations on the London and Amsterdam routes to the smaller B767s compared to full operations on B777s in the prior year. The impact was however, mitigated by the introduction of operations to Charles de Gaulle, France in October 2006.

In the Middle East capacity grew by 13% as a result of operating the B777s on Mumbai and Dubai routes whereas in the Far East and Asia region capacity increased by 40% driven by the introduction of the fourth frequency into Guangzhou, China through Dubai.

Northern Africa region capacity grew by 10% from the deployment of the new and larger B737-800s that joined the fleet in November and December 2006 replacing the B737-700s that were operating the routes. In Eastern Africa, capacity was up 23% from the contribution of the newly introduced operations to Mayotte and Comoros since November 2006.

Seats offered to the Southern Africa market grew by 11% year on year mainly due to an additional frequency into Lubumbashi through Harare and the increased deployment of B777s on the Lusaka – Lilongwe destinations.

For the Western Africa region capacity was up 18% driven by the daily operations to Cameroon, an additional frequency to Dakar through Bamako and two extra flights into Lagos.

Within the Kenyan market, capacity remained flat despite increased operations to Mombasa partly attributable to the closure of the Kisumu airport in November 2006 to pave way for repairs of the runway.

Capacity uptake at 1,874m revenue passenger kilometres reflects a growth of 12% on prior year's level of 1,675m. A total of 657,347 passengers were carried in the third quarter representing a 9% growth on last year's level of 605,441.

Cargo volume uplifted was 16,017 tonnes, 4% better than prior year. The growth came from mainly Europe, Southern Africa and the Far East and Asia regions. The improved cargo volume growth has been made possible by increased belly space.

The average cabin factor grew to 73.1% compared to prior year's 72.0% with major improvements in the Far East and Europe regions.

Despite the reduction in capacity to the European region, passenger uplift remained at the same level as prior year thereby improving the cabin factor to 74.9% compared to 72.9% achieved in the prior year.

Passenger growth in the Middle East was 10% from a positive response to the increased capacity in the region. A cabin factor of 75.9% was achieved compared to 77.6% achieved same quarter in the prior year. Passenger uplift to the Far East grew by 64% mainly on the Guangzhou via Dubai route. The cabin factor for the Far East region stood at 75.6% and was better than prior year's level of 66.6%.

The total number of passengers carried within Africa but excluding Kenya grew to 319,514 reflecting 13% growth over prior year's level of 283,940. The increase is attributable to growth in capacity through utilisation of the larger B777s and B763s in the region. The achieved cabin factor of 68.9% compares to prior year's 69.9%.

On the domestic front passenger numbers declined by 3%, mainly from the impact of the Kisumu runway repairs. Thus the cabin factor fell to 79.2% from 82.3% achieved in the same quarter last year.