

## Press release

### **Kenya Airways posts 73.9% rise in after-tax profit ...Growth attributed to Network Expansion Frequencies Increase**

- **Turnover rises by 21% to KSh. 85.8 B**
- **Operating profit up from KSh 1.839 B to KSh 5,815B**
- **Earnings per Share (EPS) rises to KShs.7.65 from KShs.4.40**
- **DOC's up by 20.4%**
- **Overheads costs up by 10.1%**
- **Fuel Costs excluding hedging up by KSh 5.96 B or 10.1%**
- **Directors recommend payment of a final dividend of KSh 1.50 per share**

**Nairobi, Thursday 2, 2011**...National Carrier, Kenya Airways, the Pride of Africa, has today announced a 73% increase in profit after tax to Ksh.3.538 billion driven by an expanded route network and increased frequencies.

Kenya Airways CEO and Group Managing Director, Dr Titus Naikuni attributed the stronger performance to sustained focus on growing route network and increased number of flights to existing destinations.

“We have relentlessly pushed our reach to new and promising markets regardless of the increasingly competitive business environment,” said Dr. Naikuni.

During the period under review, Kenya Airways recorded two historic milestones, by surpassing the 3 million passenger mark in the month of March 2011 achieving and exceeding the one billion US dollar mark in turnover.

Turnover at KSh 85.8 B was 21% higher than previous year which stood at KSh 70.7B. The passenger revenue for the year was KShs.75.4billion which is 20% above prior year at KSh 62.8B.

Capacity measured in Available Seat Kilometer (ASK) increased by 5.8% to 12,854M largely as a result of increased frequencies and new destinations launched. Passenger traffic

measured in terms of Revenue Passenger Kilometer (RPK) grew by 9.3% over prior year due to an improved world economic climate during the first three quarters of the year. Passenger yields in US cents increased by 6.7% and strengthened further to 10.3% when translated into Kenya Shillings, primarily due to a weaker Kenya Shilling in the period.

The Cabin factor of 69.2% was higher due to the high passenger traffic compared to 66.5% realized in the prior year. Total passengers carried by the airline were 3,137M compared to prior year's 2,890M an 8.5% increase.

Cargo and Courier service generated revenue of KSh 6.5 B a 20% growth over previous year of KSh 5.4 B. Total Cargo tonnage was 2.2% above prior year with a yield growth of 13.7%. Operating margin was at 6.8% an improvement from previous year's 2.6%.

Total expenses rose by 16% to KSh 80B from KSh 68.9B this was largely caused by the weaker shilling, increased operations due to the new destinations and increase in employee cost of KSh 1B. The increase in operating expenses was however offset by gains made from expanding the route network and frequencies.

Kenya Airways launched 5 new routes namely Rome, Muscat, Juba, Luanda, Nampula and re opened Malindi during the period in review. The airline is set to launch flights to N'djamena in Chad later this month. This will bring to fifty-four the number of destinations Kenya Airways flies to.

Dr. Naikuni said that prospects for the airline especially in the African market were promising and that the company would open 8 new routes in the 2011/12 Financial Year. "Africa is the next frontier in the global economy, ripe for high growth supported by increased trade and rise in the number of tourism arrivals," concludes Dr. Naikuni.

**ENDS**