



PROFIT WARNING IN COMPLIANCE WITH CAPITAL MARKETS AUTHORITY REGULATIONS

FINANCIAL YEAR ENDING 31st MARCH 2012

In the first half of the financial year, the aviation industry faced a challenging economic and geopolitical environment. In spite of these challenges over this period, Kenya Airways performed well and achieved KShs 2.8 billion profit before tax for the half year ended 30 September 2011 supported by its continuous growth plans in Asia and Africa.

In the second half of the year the Eurozone crisis, escalating fuel prices, political unrest in Egypt and Nigeria have resulted in reduced revenues.

These factors are negatively impacting the second half of Kenya Airways operating results for the financial year 2011/12. It is predicted that earnings for the year will be at least 25% less than the level of earnings in the previous year.

Despite these challenges that are affecting the entire aviation industry, the Board of Directors expect that Kenya Airways will remain profitable. The airline's strategy to grow its network in Asia and Africa as well as renewal of its fleet will continue to improve efficiencies and outlook for the future.

Evanson Mwaniki

Chairman

26 Jan 2012