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24th November 2016

Mr. Geoffrey Odundo
The Chief Executive
Nairobi Securities Exchange
The Exchange
55 Westlands Road
Nairobi
KENYA

Dear Mr. Odundo,

PRESS RELEASE

Enclosed herewith for the information of the Nairobi Securities Exchange is a copy of a Press Release to be issued today by Kenya Airways.

Yours sincerely


Michael Joseph
Chairman

Encl.



GROUP MD AND CEO TO STEP DOWN FIRST QUARTER 2017

Today, Mbuvi is announcing that he will be leaving KQ effective first quarter 2017. By that time, he will have worked with KQ for over 5 years and as the Group Managing Director and CEO for 2 years, and felt it was a natural point in the company's evolution to pass on the baton. While I regret this decision, I respect his position. Mbuvi will stay on until a successor is found which is expected to take some months.

The selection of the next CEO will be a thoughtful process led by myself together with the Board Governance and Nominations committee, which will focus on producing the right outcomes to lead KQ into its next chapter. I hope to complete this process within the next 3 months and I have already started the process to search for and identify the right candidate with the relevant airline experience.

During this period, the Board Chairman and the Group MD and CEO will work with the rest of the KQ senior leadership team to ensure continuity during the transition. Hence, this should not negatively impact our collaboration with our business partners, financiers and other stakeholders.

Although I have to date only worked with him for a short while; it has indeed been my privilege to work with Mbuvi so far. I know that over the last 2 years as Group MD and CEO, the Board has seen the dedication and selfless approach to work that he has had. Mbuvi has led KQ during an extremely challenging period, but nonetheless brought his unique leadership skills to bear, ensuring that the airline stayed afloat, leading from the front in negotiations with financiers and critical partners, and launching the turnaround which has achieved key milestones.

During this period, although KQ faced its challenges, Mbuvi and the team were able to analyze and articulate these challenges for various stakeholders to understand and support. The challenges faced by KQ over the last few years are not unique to it, as aviation is a cyclical business. What is critical is that these challenges have been faced with measured responses that are now clearly bearing fruit. These actions have included negotiating bridge financing for the business successfully, revisiting the commercial offer of KQ and organization, monetizing assets to keep the business in operation, fleet rationalization and improved utilization, reducing costs and improving productivity. The operational losses of the business have reduced substantially under his watch and KQ more than broke even at the half year period. Operation Pride will clearly place KQ on a stronger footing and provide a stable base for long term growth.

As we look to the future, the operational turnaround must stay in focus, but so too the financial stability of the business. The key outcomes desired during this phase of the turnaround are an improvement in liquidity and the reduction of the overall debt. Mbuvi is fully committed to this and will remain focused on delivering this before his departure



and in ensuring a successful transition. Through this, we will end up with a company which is deleveraged, has a better rating, and one that is able to attract new capital.

On behalf of the Board of Directors, I wish Mbuvi, the KQ team and staff every success, as they continue with the Operation Pride turnaround initiatives and Capital Optimization project. Rest assured that they can count on the continued support, productive cooperation and commitment from the Board.

Michael Joseph
Chairman
Board of Directors
About Kenya Airways

Kenya Airways, a member of the Sky Team Alliance, is a leading African airline flying to 54 destinations worldwide, 44 of which are in Africa and carries over four million passengers annually. The airline was recently voted the Leading Airline in Africa by passengers in the World Travel Awards. It has been voted the Leading Airline in Africa – Business Class four years in a row. With a fleet of 36 aircraft that are some of the youngest in Africa. This includes its flagship B787 Dreamliner aircraft. The on-board service is renowned and the lie-flat business class seat on the wide-body aircraft is consistently voted among the world's top 10. Kenya Airways takes pride for being in the forefront of connecting Africa to the World and the World to Africa through its hub at the new ultra-modern Terminal 1A at the Jomo Kenyatta International Airport in Nairobi. For more information, please visit www.kenya-airways.com