

KENYA AIRWAYS PLC

(Incorporated in Kenya with registration number C.28/2005)

The Capital Markets Act

(Chapter 485A of the Laws of Kenya)

The Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002

PUBLIC ANNOUNCEMENT

Completion of the restructuring of the debt and equity of Kenya Airways PLC

Kenya Airways PLC (the "**Company**") announces that it has completed the restructuring of its debt and equity (the "**Restructuring**") following the signing of a Lock-Up and Restructuring Agreement with the Government of Kenya, KLM Royal Dutch Airlines, KQ Lenders Company 2017 Limited and certain Kenyan Banks (the "**Restructuring Agreement**") on 14 July 2017. The Restructuring was approved by shareholders at an extraordinary general meeting on 7 August 2017, since when a series of inter-conditional transactions have been entered into with a number of key creditors.

The Restructuring has involved the following transactions:

- conversion of a portion of the existing debts due to the Government into equity in exchange for an issue of 2,736,364,671 new ordinary shares, with US\$ 75 million of further indebtedness being convertible in the future pursuant to a zero coupon mandatorily convertible loan agreement
- the issue by the Government of a sovereign guarantee of \$ 525 million to Export-Import Bank of the United States in support of the restructuring of the Company's indebtedness to the financiers of the Company's fleet of wide-bodied aircraft
- the issue by the Government of a sovereign guarantee of US\$ 225 million in favour of certain Kenyan banks who have also agreed to convert their loans to the Company into new ordinary shares through a new equity holding company, KQ Lenders Company 2017 Limited, and provide US\$ 175 million of new loan facilities for company operations, as backed by the Government guarantee
- the issue of new shares to KLM Royal Dutch Airlines in consideration of in-kind capital contributions of non-cash assets to the Company
- securing cash-flow relief from restructuring the timing and form of payments from operating and finance lessors for the airline's fleet of aircraft

The Restructuring is now complete and the Company has issued 2,736,364,671 ordinary shares to the Government of Kenya, 351,656,464 ordinary shares to KLM Royal Dutch Airlines and 2,219,285,317 ordinary shares to KQ Lenders Company 2017 Limited (on behalf of certain Kenyan banks). Pursuant to the resolutions passed at the EGM in August 2017 for the capital reorganisation the nominal value of the ordinary shares listed on the NSE is now KES 1/- each.

To facilitate the share capital reorganisation, the register was closed from close of business on 14 November 2017 and trading was suspended from 15 November 2017 up to and including 28 November 2017.

As a result the Company's share ownership is now or will be as set out in the table below (noting that the Employee Share Ownership Scheme shares are reserved for allotment only):

Shareholder	Number of shares (issued and unissued)	Shareholding % (rounded to one decimal)
Government of Kenya	2,847,844,811	48.9%
KQ Lenders Company 2017 Limited	2,219,285,317	38.1%
KLM Royal Dutch Airlines	451,661,470	7.8%
Employee Share Ownership Scheme	142,164,558	2.4%
Other Shareholders	162,632,113	2.8%
Total	5,823,588,269	100%

By order of the Board

Michael Joseph
Chairman

Dated: 16 November 2017

DISCLAIMER:

This announcement has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Securities)(Public Offers, Listing and Disclosures) Regulations, 2002 as amended. As a matter of policy, the Capital Markets Authority assumes no responsibility for the correctness of the statements appearing in this announcement.

PJT Partners
Restructuring Transaction Adviser

BOWMANS
Lead Legal Adviser

WHITE & CASE
International Counsel

NATIONAL CAPITAL
BEST APPOINTED
Stockbrokers

WEDDHOUSE PUBLIC RELATIONS
Public Relations

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