

DS/014/U.4

31st May 2018

Mr. Paul Bwiso
Chief Executive Officer
Uganda Securities Exchange
UAP Nakawa Business Park
Block A, 4th Floor
P O Box 23552
Kampala
UGANDA

Dear Mr. Bwiso,

CAUTIONARY ANNOUNCEMENT

Enclosed herewith for the information of the Uganda Securities Exchange is a copy of a Cautionary Announcement to be issued by Kenya Airways.

Yours sincerely



Teodosia Osir (Mrs.)
For: Company Secretary

Encl.



KENYA AIRWAYS PLC

THE CAPITAL MARKETS ACT

(Chapter 485A of the Laws of Kenya)

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

Cautionary Announcement: JOINT STATEMENT FROM KENYA AIRWAYS PLC (KQ) AND KENYA AIRPORTS AUTHORITY (KAA)

Kenya Airways PLC and Kenya Airports Authority jointly confirm that they are in discussions about future collaboration which will result, if finalized, in a significant improvement in the operations and performance of both organizations and will assist the Kenya Government in its desire to ensure that Kenya plays a vital and leading role in the airline industry in Africa.

The negotiations, which were recently approved by the Cabinet, will involve a potential partnership by KQ with KAA for the operation of Jomo Kenyatta International Airport, Nairobi. If successfully concluded the transaction may have a material effect on the price of KQ's securities. There is currently no certainty that a transaction will materialise and it remains subject to all applicable internal, stakeholder and regulatory approvals.

Accordingly, shareholders and investors are advised to exercise caution when dealing in KQ's securities until a further announcement is made. If, and when, a transaction materialises relevant details will be announced.

Nairobi, Kenya - Thursday, 31 May 2018

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.