

KENYA AIRWAYS PLC
SUMMARY UNAUDITED GROUP RESULTS
FOR THE PERIOD ENDED 30Th JUNE 2019

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	30 June 2019 KShs M	30 June 2018 KShs M
Total income	58,550	52,193
Total operating costs	(61,454)	(53,218)
Operating loss	(2,904)	(1,025)
Other costs	(5,684)	(2,990)
Interest income	26	23
Loss before income tax	(8,562)	(3,992)
Income tax (expense)	(1)	(43)
Loss for the period	(8,563)	(4,035)
Other comprehensive income		1,074
Items that may or will be reclassified subsequently to profit or loss; Gain/(loss) on hedged exchange differences		
Changes in Fair value for fuel hedge.	81	
	423	
Total comprehensive loss for the period	(8,059)	(2,961)
Loss for the period is attributable to:		
Owners of the company	(8,565)	(4,038)
Non-controlling interest	2	3
	(8,563)	(4,035)
Total comprehensive loss is attributable to:		
Owners of the company	(8,061)	(2,964)
Non-controlling interest	2	3
Total comprehensive loss for the period	(8,059)	(2,961)
Basic loss per share (Kshs)	(1.47)	(0.69)

Diluted loss per share (Kshs)

(1.14)

(0.54)

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2019	31 December 2018
	KShs M	KShs M
Assets		
Non-current assets	183,553	108,658
Current assets	28,845	27,976
TOTAL ASSETS	212,398	136,634
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	5,824	5,824
Share premium	49,223	49,223
Mandatory convertible note	9,630	9,630
Treasury shares	(142)	(142)
Reserves	(80,770)	(67,077)
Equity attributable to owners Non-controlling interest	(16,235) 51	(2,542) 49
TOTAL EQUITY	(16,184)	(2,493)
Liabilities		
Non - current liabilities	97,497	9,611
Current liabilities	131,085	129,516
	228,582	139,127
TOTAL EQUITY AND LIABILITIES	212,398	136,634

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital KShs M	Share premium KShs M	Mandatory Convertible Note KShs M	Treasury Shares KShs M	Revaluation surplus KShs M	Fuel hedging KShs M	Cashflow hedging KShs M	Reserves KShs M	Non controlling Interest KShs M	Total Equity KShs M
As at 1 January 2018 - as previously stated	5,824	49,221	9,630	(142)	4,911	-	(12,906)	(51,734)	53	4,857
IFRS 9 adjustment-Credit loss	-	-	-	-	-	-	-	(1,400)	-	(1,400)
As at 1 January 2018-Restated	5,824	49,221	9,630	(142)	4,911	-	(12,906)	(53,134)	53	3,457
Issue of ord. shares through conversion of mandatory convertible note	-	2	-	-	-	-	-	-	-	2
Total comprehensive loss for the period	-	-	-	-	-	(435)	2,045	(7,558)	(4)	(5,952)
At 31 December 2018	5,824	49,223	9,630	(142)	4,911	(435)	(10,861)	(60,692)	49	(2,493)
As at 1 January 2019 - Previously reported	5,824	49,223	9,630	(142)	4,911	(435)	(10,861)	(60,692)	49	(2,493)
Effect of change in Accounting policy-IFRS 16	-	-	-	-	-	-	-	(5,632)	-	(5,632)
As at 1 January 2019 - Restated	5,824	49,223	9,630	(142)	4,911	(435)	(10,861)	(66,324)	49	(8,125)
Total comprehensive loss for the period	-	-	-	-	-	423	81	(8,565)	2	(8,059)
At 30 June 2019	5,824	49,223	9,630	(142)	4,911	(12)	(10,780)	(74,889)	51	(16,184)

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	30 June 2019 KShstM	30 June 2018 KShs'M
Cash flows from operating activities		
Cash generated from operations	8,694	3,105
Interest received	26	23
Interest paid	(2,472)	(2,764)
Income tax paid	(37)	(19)
Net cash generated from operating activities	6,211	345
Cash flows from investing activities		
Purchase of Property and equipment and intangible assets	(471)	(429)
Proceeds from disposal of property and equipment	9	659
Aircraft deposits	(912)	(58)
Aircraft deposits refunds received	324	3,761
Commitment and commission fees paid during the year	(5)	
Onerous lease payments	-	(495)
Net cash generated from investing activities	(1,055)	3,438
Cash flows from financing activities		
Lease payments	(4,284)	
Repayments of borrowings	(3,074)	(4,175)
Net cash used in financing activities	(7,358)	(4,175)
(Decrease) in cash and cash equivalents	(2,202)	(392)
Cash and cash equivalents at beginning of period	6,431	6,356
Cash and cash equivalents at end of period	4,229	5,964

The summarised consolidated financial statements of Kenya Airways PLC has been prepared as per the requirements of the Capital Markets (Securities) (Public Offers, Based on the above revenue and cost dynamics, the Group recorded an Operating loss Margin of 5.6%.

Other operating highlights:

During the first half, KQ continued its network expansion drive, opening the key strategic routes - Rome, Geneva and Malindi and increasing frequencies to other key destinations. The New York City Route which was launched in October 2018 has shown a positive passenger uptake. The growth in passenger numbers is highly attributed to codeshare agreements that enable passengers to connect to other destinations in the US.

Outlook:

The global economic and geopolitical context remains uncertain, while Kenya Airways continues to operate in a highly competitive environment. The Group continues to invest in improvement of operations, efficient network growth and improvement of service quality and delivery.

In the next half year, the Board and Management are working on a fleet refinancing program, which once completed will improve the Group's cashflow. The impact of this program on the Group's financials will be announced to the public once the program is approved for implementation.

On behalf of the Board of Directors, I take this opportunity to express my sincere appreciation to our customers, the Government of Kenya, shareholders, management, staff, suppliers and other stakeholders for their continued support.



Michael Joseph

Chairman

27th August 2019