

Airlift WORLD

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Dear Colleagues,

On behalf of Volga-Dnepr Airlines please accept my congratulations with upcoming New Year 2012!

With many thanks I want to note that every year of our long cooperation justifies efficiency of our harmonized efforts and professional understanding of each other. Results of our joint work help improve quality of Volga-Dnepr Group performance and safe flight operations. And that is what should be a good example for many other air operators in Russia.

I wish you personally and your companies a good financial standing in the next year, prosperity, generous partners and thankful clients. Good health and high spirits to you!

Happy Christmas and New Year!

Alexander Rodionov
General Director, NIC

08-12-2011 AirBridgeCargo sees stable increase for the third consecutive year in Frankfurt

It is the third time in a row AirBridgeCargo is recognized as the leading carrier handled by Fraport in terms of volume during the latest ceremony "Best Cargo Performer".

The biggest Russian carrier was nominated and awarded in two categories "Most cargo volume in 2011" and "The biggest volume



increase in 2011" which is no wonder given that total volume handled was 104,960 tons for 11 months of 2011.

"This victory came as an evidence of position strengthening of our company in Frankfurt. Under severe market environment with night flights ban being among them our company managed to keep the same level of frequencies and provide customers with the same service in an outstandingly successful way. Reliable and long-term relationship between Fraport Cargo Services and ABC demonstrate a model for partnership which we would like to apply in every region throughout our network." - pointed out Tatyana Arslanova, Executive president of AirBridgeCargo. She also added that "traditional prize of Bembel was received only thanks you contribution and great performance of all the regions in ABC's network."

ABC operates Boeing 747-400 freighter services linking Frankfurt with Russia, other markets in Europe and China, Hong Kong and Japan. At the moment it total 14 frequencies

27-10-2011 Volga-Dnepr airlines celebrates third successive 'Best Cargo Charter Airline' honour in the Baltic Air Charter Association's annual awards

Volga-Dnepr Airlines has become the first airline to be voted 'Best Cargo Charter Airline' for three years in succession in the Baltic Air Charter Association's (BACA) prestigious annual awards.

The award was presented to Volga-Dnepr - the world's largest transporter of outsize and heavyweight air cargo - at BACA's 2011 Excellence Awards ceremony in London, attended by hundreds of senior executives from the international air charter industry. Dmitry Grishin, UK Sales Director of Volga-Dnepr, accepted the award on behalf of the airline from Shahe Ouzounian, Chief Operating Officer of sponsors Chapman Freeborn Airchartering.

The Baltic Air Charter Association conducts an annual survey of its members to identify the 'best in class' companies in various award categories. In the first stage of the selection process to find the Best Cargo Charter Airline over the previous year, members are asked to name any cargo airline in the world they feel deserves the award. From this, BACA creates a list of the top three carriers and these go forward to a final vote by the Association's members, who include airbrokers, charter airlines, airports, business aircraft operators, freight forwarders, consultants and others.

Dick Gilbert, Chairman of the Baltic Air Charter Association, said: "Being voted Best Cargo Charter Airline gives a significant status to the winner because it means that they have effectively competed with every cargo airline in the world, and won. Specifically, our members are voting for excellence with regard to the response and interface between the operator and the broker and we are looking for quality in

all aspects of the charter process. For Volga-Dnepr Airlines to have won the Best Cargo Charter Airline award for three years in a row is a magnificent achievement and, in particular, a reflection of the quality of its commercial department - which is the 'shop-front' of the airline - and the reliability and expertise of its operations and technical teams."

Dennis Gliznoutsa, Group Commercial Director (Charters), said: "The most prestigious and highly valued awards are those that are voted for by our customers. That is why we are so proud to have been chosen once again as Best Cargo Charter Airline by the Baltic Air Charter Association because its members are the leaders in our industry. By its very nature, we all work in a sector that is fast-moving, complex and delivers solutions often outside of the capability of scheduled carriers. We are proud to have a team of professionals in Volga-Dnepr that not only rise to these challenges year after year but that also earn the respect and support of our customers. This award is a wonderful conclusion to our 21st year of operations



Legal Department of Volga-Dnepr Group is the Best in Airline Industry



On 28 October 2011 the Renaissance Moscow Monarch Centre hotel hosted a VI ceremonial awarding of the 'Best Legal Departments - 2011' contest winners, the biggest and the most authoritative legal contest in the territory of the Commonwealth of Independent States.

The Experts Board of this 'Best Legal Departments - 2011' international contest declared the Legal Department of Volga-Dnepr Group the best in 'Motor, Aviation and Railway Transport' nomination.

The contest was initiated and sponsored by 'Corporate Lawyer' magazine and 'Wolters Kluwer' company sixth time this year. Over this period the contest has become the most prestigious and recognized among professional legal community. The Experts Board of the contest was formed under "Best Select the Best" principle to include the most eminent lawyers having the highest authority and weight among the professional community.

This year the contest geographical coverage considerably expanded. It is now being attended by representatives of Russia, Ukraine, Belorussia, Kazakhstan, Uzbekistan, Armenia, Moldova, Turkmenistan, Azerbaijan and Kyrgyzstan. This year more than 100 legal departments of lead Russian and International companies competed for victory in the contest to include among others KAMAZ, STS Media, Moscow Municipal Telephone Network, Norilsky Nickel, Hewlett-Packard etc.

Volga-Dnepr's Legal Department participated first time in the contest to win it right away.

Contest sponsors:

Monthly "Corporate Lawyer" magazine is being published since 2005 by Russian subsidiary of Wolters Kluwer company, which is a World leader of information service market. The edition provides analytical materials and legal articles on problematic issues and challenges occurring before Corporate Lawyers, offers legal literature reviews and books for company lawyers.

Volga-Dnepr International Training is IATA authorized Training Center

Volga-Dnepr International Training marked the beginning of new academic year with ICAO Authorized Training Center certificate. Based on certification audit results the VDIT was authorized to conduct training on the following courses: Fundamentals of International Air Cargo Transport, Cargo Rates Calculation Rules, Rules of Dangerous Goods Transport by Air. Basic condition of obtaining an ICAO Authorized Training Centre status was availability of Education License, classroom equipment meeting special standards of interactive training and qualified instructing and teaching personnel. Training will be full time (off the job) in the Russian language or distant (in-service) in English. The training course will end up with examination and successful trainees will get international IATA certificates.

Born in Istochnik (the Source)

On 14 October 2011 Ulyanovsk hosted Stage Two of VII Volga-Dnepr's Flight and Technical Conference concerning "Economic Efficiency and methods of Increase of Labor Productivity in the Flight Operations Department". First time such a significant corporate event was held in a Group fresh-built Istochnik (the Source) comprehensive school. And the choice was absolutely correct: the conference was a real source of new knowledge, eyeopeners and initiatives.

As a reminder, Stage One of the VII Flight and Technical Conference was held on 16 May 2011 in Moscow. The subject analyzed by the Airline pilots that time was improvement of fuel efficiency and equipment life time savings in conjunction with Air Fleet modernization. Discussion in Ulyanovsk brought to the foreground such issues as labor efficiency of the Flight Crews. What does it depend on?

Emotions of essence

It goes without saying that work productivity first and foremost depends on professionalism. However, no less important is your attitude towards the business you are engaged in. According to Alexey Isaikin the President of Volga-Dnepr Group and the Principal of the Conference, those who love their job work better. Dedicated people are purposeful, their eyes twinkle with excitement and it is a real pleasure for everybody around to watch them work. Same refers to Customers who value not only the quick delivery of cargo but also the way it is being done. In addition those who work by vocation have long-term plans and therefore safe work (flight operations) is natural and organic to them. They admit no limits in their professional development.

"In the nearest future we will take a public opinion poll to learn whether or not you really like your job", concluded Alexey Ivanovich and wished the audience more prospective and creative efforts.

The agenda of the Conference organized by the Corporate University and Flight Operation Departments of both Airlines of the Group was absolutely relevant. Search of new ways and methods of improving flight personnel work productivity is really "worth a mass". And the reasons are many. The most evident one is that by year 2030 the Volga-Dnepr is going to expand its aircraft fleet manifold. It means that existing shortcomings if remain non-rectified (namely wasteful losses of work time, material resources etc.), will proportionally multiply. Do we need it?

In addition, trying to secure a place among Top Three World leaders of air cargo industry we shall not fall behind competitors in economic efficiency. So far the cards are stacked against us. According to Sergey Shklyanik the Senior Vice President of the Group who in his interview given to "Expert" magazine said that annual receipt falling on one Volga-Dnepr's employee currently amounts to approximately half million USD. The figure is twice as much as in any other average Russian company, but considerably lower compared with our colleagues from Cargolux of Luxembourg where one employee accounts for \$0,7-0,8 million of receipts. What shall we be doing? Catch up!

It is the business efficiency that Valery Gabriel the VDA Executive President spoke about and called the Conference participants.

"labor efficiency and productivity acquires special significance at present time. Now when the civil air transportations grow we have to decrease net costs by 30 percent as a minimum. Why our net



costs are so high? Have a look: one third part of AN-124-100 flights are empty ferries, the greater part of all charters fly under-loaded. If we do not eradicate such practice we will fail to meet competition any longer.

And then the battle broke out - speeches, reports, announcements, disputes, which testified to only one thing: neither of the Conference participants needed any public opinion poll about personal attitude towards their jobs. Commitment and deep affection were evidenced by passionate temperament of speeches, balanced and considered approaches to subject matter of the discussion.

Unconditional priority

The only subject non-discussed by the Conference was Safe Flight Operations. First of all, because safety means humane life, a universal and absolute value. Second, safety is an essential component of any productive labor aimed at creating new socially useful values. No doubt that endangering such values is absurd, same as robbing your own work (products of your mind and hands) of any meaning.

Why then fatalities are so many in Russia? This question was figuratively answered by an AirBridgeCargo pilot Dmitry Sukharev: "Our accidents are logical products and results of our breeding and attitude. Where else would you dare cross a heavy traffic street through the red light?..."

He reminded of a standing USA practice where a Captain will be rewarded for a missed approach rather than penalized. The amount is relatively small not exceeding one hundred dollars, but the system and objective is clear: safety is Alpha and Omega, the beginning and the ending of the profession.

There was one more interesting episode at the Conference. According to the Conference presenter Oleg Trotsenko Chief Pilot of AirBridgeCargo, the currently effective Volga-Dnepr's Air Accidents Prevention and Flight Safety Management Policy is so

accurate and precise that all Flight personnel of the Company is ready and willing to sign it off at any time.

Does it mean that we are no "red light walkers" any longer?

Yes, God be thanked therefor!

Systematic approach

To ensure effectiveness of the Conference all possible means and resources were used. No doubts general meetings and plenary sessions are good, but target Round Table sessions are even more effective. That is what happened this time. Conference participants split into eight groups and during one hour generated proposals as to how improve flight work efficiency. As the result the Ideas Portfolio was swelling with new initiatives. Below you will find some of them. On the Government level we should press amendments to currently effective regulatory and legal instruments expressly mismatching civilized international practice. (FAP 128, FAP 148, medical examination frequency etc.). Honestly and indeed (according to D. Sukharev's report), a foreign pilot throughout his/her flying career will spend

about 40 hours to take scheduled medical checks while Russian pilots have to sacrifice 200 work days!

Another commonly supported idea was to raise to a higher level the Corporate Training Center and actively use ATRAN, a new Group company to run-in young pilots. Improved should also be relief crew transfer system (Buying own business jet, why not?) and rest time in foreign airports (crews need at least 10 hours stay in hotel), and many others.

The deepest interest in improving Company business displayed by participants did not remain unnoticed.

"The Conference effectiveness inspires and fill me with enthusiasm, - said President Alexey Isaikin concluding the event.

"Your optimism is catching. Next thing to do now is to bring to life all the best ideas proposed. Your professionalism is so high that you are able to formulate standards of your work. Where such standards are more stringent than Federal Rules, they shall have full right to exist. And please continue to discover novelties in the World since this is a direct duty of any professional.

Volga-Dnepr UK Ltd secures International seal of approval for Quality and environment management

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Volga-Dnepr UK Ltd, part of Volga-Dnepr Group has achieved international endorsement for its quality and environment management processes from the International Organisation for Standardisation (ISO), the most well-established management standards in the world today.

After undergoing a comprehensive review by external auditors Moody International in July and August, Volga Dnepr passed with flying colours and has been awarded ISO9001:2008 (for quality management) and ISO14001:2004 (for environmental management) status.

These accreditations are a proven business winner, providing customers with independent confirmation that Volga Dnepr meets the highest standards of business practice and offers a professional and accountable service. For this reason, companies with ISO accreditation are known to qualify for more tenders.

Steve Downing, Project Manager, Engineering and Logistics, who led the ISO accreditation process, commented:

"Securing ISO accreditation for Volga Dnepr UK's quality and environmental management practices enhances our business by giving a positive message to both our customers and the industry at large of our commitment to providing a professional and accountable service. Increasingly, blue chip organisations view these accreditations as an essential requirement for doing business. They are a must-have if we are to progress past the first stages of a tender to become an approved service provider for large contracts."

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