

BIG NEWS



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Volga-Dnepr Group's revenues surpass \$1 billion for 2007

Volga-Dnepr Group has reported total sales of US\$1,045 million for 2007, 51% higher than its result in 2006.

The company achieved substantial growth in the specialist air charter market for the carriage of outsize and heavy cargoes - +62% - and further established its presence in the highly-competitive scheduled cargo services sector. The Group's scheduled cargo airline, AirBridgeCargo saw sales rise by 32% in 2007 to over US\$300 million.

In 2007, Volga-Dnepr Group continued to focus on meeting the needs of both its existing long-term and prospective customers. A competitive pricing policy and strong development across the Group's businesses enabled Volga-Dnepr to attain performance figures considerably in excess of growth rates for the global air cargo market. While global market growth rates in 2007 averaged 6%, the volume of cargo carried by Volga-Dnepr Group over the reporting period grew by 41% to 212,900 tons.

Supported by its operational success, the Group continued with its fleet

expansion and upgrade programs, the development of its transportation infrastructure and the growth of its route network.

In 2007, Volga-Dnepr Airlines grew its sales from air cargo charter operations by 62% to US\$767 million. During the 12 months, Volga-Dnepr's AN-124-100 freighter fleet carried 59,700 tons of cargo, exceeding its performance in 2006 by 43%. A further 51,300 tons of cargo was carried using the airline's IL-76 all-cargo fleet. In the outsize and heavy cargo segment, the company still accounts for more than half of this market globally and its share continues to increase.

AirBridgeCargo Airlines (ABC) showed growth in the scheduled air cargo market in 2007. Traffic carried on board its Boeing 747 fleet grew by 29%, reaching 101,900 tons. The company also continued to develop its route network and expand its fleet of aircraft.



Milestones in 2007

- First stage of the AN-124-100 upgrade was completed with a new version – the AN-124-100M-150 – successfully gaining certification
- Volga-Dnepr Airlines took delivery of its second modernized IL-76TD-90VD aircraft
- Volga-Dnepr Group and MAK Ilyushin enter into agreement for the construction of three more IL-76TD-90VD aircraft to join the Volga-Dnepr fleet in 2009-2010.
- ABC launched scheduled B747 services on the Moscow–Tokyo–Krasnoyarsk route
- Traffic rights awarded to AirBridgeCargo for additional flight frequencies to the Japanese airport of Narita within 2008-2010.
- AirBridgeCargo Airlines received the first of three new Boeing 747-400ERF
- Volga-Dnepr Group placed orders for five new Boeing 747-8F freighters, the latest modification offering an extended flight range and higher efficiency
- New cargo terminal opens in Krasnoyarsk in the Russian Far East

160 tons of relief aid arrives safely for disaster victims in Myanmar and China

AirBridgeCargo Airlines (ABC) is helping to deliver more than 160 tons of relief goods this week to the victims of the cyclone in Myanmar and the earthquake that has devastated southwest China.

On May 19th, an ABC Boeing 747-200F left Frankfurt for Bangkok with 100 tons of humanitarian aid, including medical equipment, blankets and tents. The flight was organised by Kuehne + Nagel on behalf of the charity, World Vision. From Thailand, the aid was delivered to the worst affected areas in Myanmar by World Vision representatives.

On May 22nd, a second AirBridgeCargo B747F, chartered by Chapman Freeborn for the German Red Cross, departed from Schoenefeld Airport in Berlin to Chengdu. On arrival in the capital of Sichuan province in southwest China, the Red Cross Society of China will distribute the aid – emergency hospitals, mobile surgical stations, generators, blankets and tents – to support victims of the May 12th earthquake.



World Vision's relief aid is loaded in Frankfurt bound for Myanmar.

According to the Chinese government, since the earthquake a total of 280,000 tents, 480,000 quilts and 1.7 million jackets have been distributed to people in the earthquake zone.

Denis Ilyin, Senior Vice President
Commerce and Strategic Development

at ABC, commented: "This was a tremendous team effort between our own staff, our partners and World Vision and the Red Cross to ensure both of these charter flights were organised and operated in such a short timescale to deliver urgently-needed aid to the affected regions."

Special loading of 14 ton coils helps to save time and money



Volga-Dnepr Airlines was able to help logistics and freight forwarding customer, Townley Group International (Australia) save time and money when it transported two 14 tons coils from Athens, Greece, to Port Moresby in Papua New Guinea.

Typically, such coils are transported in a vertical configuration. However, on this occasion they were carried flat side down on board one of the airline's IL-76TD-90VD freighters, helping to avoid the additional costs and prolonged transit time that would have resulted from having to manufacture special cradle tooling for the shipment.

The coils were loaded into the aircraft using the IL-76TD-90VD's special loading equipment and on-board cranes.

ABC takes delivery of its third new Boeing 747-400ERF



AirBridgeCargo Airlines, the scheduled cargo subsidiary of Volga-Dnepr Group and Russia's largest international cargo

carrier, has taken delivery of its third B747-400ER Freighter from The Boeing Company.

This latest delivery on April 10th follows the arrival of the first and second B747-ERFs in the AirBridgeCargo fleet in November 2007 and February 2008. The 747-400 Freighter offers the lowest ton-mile cost in the industry and has no peer among today's cargo airplanes with more than 110 in service worldwide, operated by the world's

leading air cargo carriers. The 747-400 Freighter can carry 113,000 kg of cargo up to 8,240 km.

In addition to its three new Boeing 747-400ERF, the AirBridgeCargo fleet consists of two Boeing 747-200Fs and one Boeing 747-300SF.

AirBridgeCargo will use the new aircraft, under lease from AirCastle Advisor, on its existing routes from Asia to Russia and Europe. From Asia, the airline operates over 20 flights a week from Beijing, Shanghai, Hong Kong, Nagoya and Tokyo. It serves Moscow, St. Petersburg and Krasnoyarsk in Russia as well as the major European hubs of Amsterdam, Frankfurt and Luxembourg.

Denis Ilyin, Senior Vice President
Commerce and Strategic Development



at AirBridgeCargo, said: "We are proud to be operating the Boeing 747-400ERF in our fleet because its capability is unrivalled by any other aircraft. The fact that this is the third of these advanced freighters to join the ABC fleet within six months reflects Volga-Dnepr Group's commitment to establishing AirBridgeCargo as one of the world's best and most reliable scheduled cargo airlines. Our customers can see we are growing, investing in our future and expanding our network. "

With three of the 747-400ERF in its fleet ABC is also looking to launch services from Russia to North America later this year.

New 747F services from Asia to Russia

AirBridgeCargo Airlines has launched non-stop services to Moscow from Shanghai and Hong Kong.

Using its newly-delivered, extended range Boeing 747-400ER Freighters, ABC is the first carrier to connect Shanghai and Hong Kong with Moscow with a scheduled freighter service, offering an unrivalled direct solution and benefiting shippers and consignees in Asia and Russia.

Fast delivery times and no handling in-transit make the new service an ideal choice for high-value and time-sensitive commodities such as consumer electronics, commercial samples, fashion goods, and luxury items, all in growing demand across Russia.

From Moscow, AirBridgeCargo offers onward connections to Amsterdam, Frankfurt and Luxembourg. With Beijing in North China and Narita in Japan already connected with Moscow by non-stop scheduled services, ABC has now doubled the number of origins points in Asia for non-stop flights to the Russian capital.

Volga-Dnepr Airlines receives its sixth Wings of Russia Award

Volga-Dnepr Airlines has been awarded the prestigious Wings of Russia 2007 national aviation award after being recognised as the airline of the year for cargo carried on domestic and international routes.

This decision was announced at a special awards ceremony at the Chekhov Academic Art Theater in Moscow. This is the sixth occasion Volga-Dnepr has won the coveted Wings of Russia award. Its previous successes were in 1997, 1998, 1999, 2004 and 2006.

The Wings of Russia is an annual National Aviation Award. The winners are determined by secret ballot voting of the members of the Award Public Board comprised of 120 experts in Civil Aviation industry: representatives of Aviation Authorities, Public and



Private Companies, Mass media. They base their decision of each airlines' performance, market promotion, level of safety and customer focus. This year 29 Russian airlines participated in the contest.



Volga-Dnepr Group assess the potential for air cargo hub in Havana

Russia's Ministry of Transport has invited Volga-Dnepr Group to participate in a project to explore the potential development of an air cargo hub in Havana, Cuba. The first Transport Working Group involved in the project met in the city at the end of March.

As a recognised, Russian-based leader in the air cargo industry, the opportunity for Volga-Dnepr to participate in the project followed negotiations between Russian and Cuban government officials.

At the first meeting of the Transport Working Group – consisting of Volga-Dnepr, Cubana de Aviacion and AeroVaradero – it was agreed to establish a Joint Working Team to undertake a detailed analysis of air cargo flows from the Americas to Western Europe, the Middle East and Far East, CIS and Russia. The main objective of the review is to assess the potential

for increased efficiency of air cargo services that would result from having a hub at José Martí Airport, Havana. The subsequent data will be used to formulate a business plan that will allow a decision to be taken on the viability of the potential new hub by 2011.

In support of the project, Volga-Dnepr will complete an exhaustive analysis of business opportunities in the region to determine whether flight operations to José Martí by Volga-Dnepr Airlines and the Group's scheduled cargo airline, AirBridgeCargo, are commercially viable.

New GSA partners in Vietnam and Korea

AirBridgeCargo has appointed new general sales agents in Vietnam and Korea.

In Vietnam, Indo-Trans Logistics Aviation Services (ITL Aviation) has been selected as the airline's GSA. With the accession of Vietnam to the World Trade Organisation (WTO) in 2006, the country's exports have been growing at an accelerated pace, offering new business opportunities to cargo airlines and the freight forwarding community. Licensed by Vietnam Aviation authorities, ITL Aviation will undertake sales and marketing activities on behalf of AirBridgeCargo and arrange the smooth connection of traffic to the airline's online network. The new appointment benefits Vietnamese exporters as well as the growing number of Russian consignees.

Eurussia Air Cargo Inc., is the new GSA representative for ABC in Korea. It is a newly created subsidiary of Sharp Inc., a well-established company specialising in the GSA business and aviation-related services. Eurussia will introduce and promote ABC services in the highly competitive Korean market, in response to the growing demand for freighter services between Korea and Russia, supporting the long-term strategy of AirBridgeCargo to ensure presence in all key markets of North-East Asia. The close proximity of Korea to Japan and China, where ABC operates B747 services to key destinations in Russia, will provide easy access to the ABC network using interline arrangements.

ABC launches Budapest to Moscow route



Following the arrival of the third Boeing 747 Freighter into its fleet, AirBridgeCargo Airlines (ABC) has extended its route network further with the launch of all-cargo services to Moscow from Budapest, Hungary.

This latest route expansion by the airline follows the introduction of direct freighter services from Shanghai and Hong Kong to Moscow. These services are aimed at satisfying growing demand from Russian consumers for electronics products, fashion goods and luxury items. ABC will serve Moscow's Sheremetyevo Airport from Budapest with a weekly B747F flight.

Hungary, with a population of 10 million people, joined the European Union in May 2004. AirBridgeCargo expects a high volume of cargo between the Russian and Hungarian capital cities, notably high tech products.

Wolves arrive for filming in Yakutia



AirBridgeCargo Airlines recently transported 12 wolves to Yakutsk in Russia. They arrived from Canada via Frankfurt and ABC's scheduled cargo service to Krasnoyarsk.

This operation set a successful precedent for ABC for the transportation of live cargo to Siberia.

The final leg of the wolves' journey was completed onboard an IL-76 charter flight. The wolves are being used in a new movie being filmed in the region. ABC will also be responsible for returning them to Canada once the filming is completed.