



BUILDING

AIR

BRIDGES

ANNUAL REVIEW

2015

VOLGA-DNEPR AIRLINES

Volga  Dnepr

*We learn,
so we develop...*



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ABOUT VOLGA-DNEPR GROUP

Volga-Dnepr Group comprises several airlines and supporting businesses. These are Volga-Dnepr Airlines, the world's market leader in the area of air transportation of super-heavy and oversized cargoes, AirBridgeCargo Airlines, performing scheduled cargo flights, ATRAN Airlines, working in the segment of medium-haul cargo transportation.



“ From the very beginning when we had only one aircraft and wished to introduce the unique AN-124-100 Ruslan cargo plane into the international market, we have been building a serious business and for the long haul. We have continually sought to improve our work and always believed that we could achieve even better results. Thanks to the constant desire to meet and exceed the expectations of our customers, over the last 25 years, we have become a global Group of Companies whose aircraft perform charter and scheduled cargo transportation on every continent of the world.

Alexey Isaikin
President of Volga-Dnepr Group



Charter Cargo Transportation



Volga-Dnepr Airlines

Volga-Dnepr Airlines, which turned 25 in 2015, is the first private Russian freight carrier. The airline operates the world's largest fleet of the unique AN-124-100 Ruslan transport aircraft, as well as aircraft from the IL-76 family in the modernised IL-76TD-90VD version. The capabilities of these aircraft and enormous experience of the company's employees in solving the most challenging and unusual logistics and technical problems have made Volga-Dnepr a recognised global leader in the industry segment for the delivery of non-standard (super-heavy, outside) cargoes by air.

Scheduled Cargo Transportation



AirBridgeCargo Airlines

AirBridgeCargo Airlines has taken a leading position in the Russian and international markets for scheduled cargo transportation. The airline's fleet consists of the highly capable and high-tech Boeing 747 aircraft and is one of the youngest in the industry. AirBridgeCargo's global route network includes the world's largest transportation hub airports, connecting the key production and consumption markets in Asia, Europe and North America. The hub network model implemented at Moscow's Sheremetyevo airport ensures the delivery of cargoes from origin to destination in less than 48 hours, including ground handling.



ATRAN Airlines performs scheduled international cargo flights using medium-haul Boeing 737 airplanes. It has bases at Vnukovo and Sheremetyevo airports. ATRAN forms part of Volga-Dnepr Group's developing Small Cargo Aircraft project.



In addition, the Group includes companies involved in maintenance and repair of aircraft, providing ground cargo transportation, developing engineering and logistic solutions, and providing insurance services. The companies are connected through the principle of business synergy, which is embodied in the concept of the Group's Cargo Supermarket, the essence of which lies in providing individual comprehensive solutions in accordance with the objectives and needs of each customer.

25 years ago, Volga-Dnepr became the first private cargo company in Russia. At the time of its launch, its staff consisted of only a few dozen people united by the idea of using the AN-124-100 Ruslan freighter for international cargo transportation. This aircraft is still the world's largest series-produced commercial cargo aircraft. It is unique both in its lifting capacity of up to 120 tonnes and the dimensions of its cargo compartment.



Supporting Businesses



Volga-Dnepr Technics Sub-Group of Companies

Volga-Dnepr Technics Sub-Group of Companies provides maintenance, repair and overhaul (MRO) of Russian and foreign aircraft equipment for both airlines of Volga-Dnepr Group and third-party customers.



Volga-Dnepr-Leasing

Volga-Dnepr-Leasing has consolidated organisational and financial resources of the Group to create a modernised version of the IL-76TD aircraft. As a result, the redesigned IL-76TD-90VD fully complies with ICAO's requirements and is approved to operate anywhere in the world. Volga-Dnepr currently operates a fleet of five IL-76TD-90VD freighters.



Volga-Trucks

Volga-Trucks provides door-to-door cargo delivery services for Volga-Dnepr Group's customers. The company has a Russian Customs carrier licence, which authorises it to perform transportation under the internal customs transit procedure.



NIC Insurance Company

NIC Insurance Company provides aviation risk insurance protection for Volga-Dnepr Group. In the interests of the Group and its employees, it also actively develops non-aviation insurance, including medical insurance, accident insurance, motor insurance, cargo, property and third-party liability insurance. NIC's services are supported by its participation in the effective reinsurance system alongside leading international insurers.

Volga Dnepr Airlines (Ireland) Limited

Volga Dnepr Airlines (Ireland) Limited (VDI) was established in 1996 and is part of the Charter Cargo Transportation Sub-Group of Volga-Dnepr Group. The main activity of VDI is managing operating and finance leases of aircraft and aircraft engines. The company plays an important role in the activities of Volga-Dnepr Airlines as the owner of 17 engines for the AN-124-100 (D-18T), one Boeing 737-400 aircraft, and two AN-124-100 freighters. In 2015, the company's turnover grew by 17%. The development of Volga Dnepr Airlines (Ireland) Limited is determined by the strategy of Volga-Dnepr Group.



25 YEARS OF FLIGHT



Volga-Dnepr receives its first two aircraft; an IL-76 and an AN-124-100 Ruslan, unrivalled in terms of payload capacity and size of the cargo compartment. To introduce it into the world market, the Russian-British joint venture HeavyLift-VolgaDnepr Ltd. was established.

The airline operates its first international flight on a routing of Ulyanovsk – Moscow – Amsterdam – Almaty



The airline starts charter flights to China and is also officially included in the register of carriers of the United Nations.



In July, 1995, NIC Insurance Company was established to provide aviation risk insurance protection for the company



Joint stock company Ulyanovsk-based Volga-Dnepr becomes the first private cargo airline in Russia.

After registration in the International Civil Aviation Organisation (ICAO), Volga-Dnepr starts international flights under its own flag, VDA. In April, it completes its first shipment of truly unique cargo – two gas turbines with a total weight of 80 tonnes. For this, specialists of the company had to design a special loading-and-unloading solution.

Volga-Dnepr is the first Russian cargo airline to become a member of The International Air Cargo Association (TIACA). It is also awarded more than 70 permits to perform international charter flights.

Volga-Dnepr is the first Russian airline to be awarded a Russian Customs carrier licence. Its aircraft maintenance base was certified to perform all types of maintenance for AN-124-100, IL-76, AN-12, and AN-32 type aircraft. Prior to this, only the Sheremetyevo international complex had such rights in the country.

1990 1991 1992 1993 1994 1995



VOLGA-DNEPR GROUP



Volga-Trucks was founded to provide door-to-door roadfreight transportation services for customers of Volga-Dnepr Airlines



Volga-Dnepr wins the national 'Wings of Russia' prize for 1997 in the 'Cargo Carrier on Domestic and International Routes' category.

The start of long-term cooperation between Volga-Dnepr and Lockheed Martin, one of the world's largest aerospace companies. The airline delivers launch vehicles to cosmodromes for commercial launches of satellites in orbit.

In Sharjah (UAE) and Shannon (Ireland), Volga-Dnepr opens bases to perform aircraft maintenance, repair and overhaul services.

Volga-Dnepr sets a world record in commercial goods transportation by delivering a unique chemical reactor from Paris to Doha (Qatar). Its total weight, including special rigging, was 140 tonnes.

The Federal Air Transport Agency of Russia appoints Volga-Dnepr the leading airline operating as the AN-124-100 Ruslan

1996

1997

1998

1999



25 YEARS OF FLIGHT



Volga-Dnepr Airlines becomes a member of the International Air Transport Association (IATA), having passed a multi-stage procedure and received the official certificate



The IL-76 modernisation programme is awarded national status by the Russian Aerospace Agency. For its successful implementation, Volga-Dnepr creates Volga-Dnepr-Leasing.



Volga-Dnepr becomes the first Russian company to receive the prestigious 'Development of Air Cargo Transportation' award, presented by U.S. – based Air Transport World magazine.



Volga-Dnepr becomes a Group of companies. In order to build its own global sales network, the carrier opens two new subsidiaries: Volga-Dnepr Unique Air Cargo, Inc. in Houston, USA, and Volga-Dnepr UK Ltd. in Stansted (UK). The HeavyLift-VolgaDnepr joint venture comes to an end.



Under the auspices of the United Nations, Volga-Dnepr delivers humanitarian aid and equipment to peacekeeping forces in Afghanistan.

Volga-Dnepr Airlines and Antonov Airlines create the Ruslan SALIS GmbH joint venture in Leipzig, which wins an international bid for strategic airlift in support of international peacekeeping and humanitarian missions.



Volga-Dnepr Group enters the scheduled cargo transportation market by establishing AirBridgeCargo Airlines.

At the world's biggest air show at Le Bourget in Paris, Volga-Dnepr presents its joint programme with Ilyushin Design Bureau to modernise the IL-76 to substantially improve the flight characteristics of the aircraft, which gets the new name of IL-76TD-90VD.

2000

2001

2002

2003

2004



AirBridgeCargo Airlines wins the 'Wings of Russia' award in the 'Cargo Airline of the Year - International and Domestic Routes' category.



Volga-Dnepr Airlines receives a certificate of conformity to the ISO 9000:2001 international quality standards from IQNet.



Volga-Dnepr Airlines receives an IATA Operational Safety Audit (IOSA) certificate confirming its compliance with international flight safety standards. Thus, it is the first cargo airline in Russia and only the second in the world to pass the IOSA audit for compliance with the new version of IATA's safety standards.



The Baltic Air Charter Association (BACA) names Volga-Dnepr Airlines as 'Best Charter Cargo Airline' based on its performance over the previous year.



The upgraded IL-76TD-90VD performs its first commercial flight

Volga-Dnepr Airlines and Antonov Airlines establish the Ruslan International joint venture in the UK to jointly provide their customers with AN-124-100 cargo services to maximise the benefits of this unique fleet and strengthen its positioning worldwide.

Volga-Dnepr creates its Engineering and Logistics Centre (ELC) to provide additional services to its customers and to develop innovative engineering and logistics solutions for the transportation of outsized cargo in the shortest possible timescales.

VOLGA-DNEPR AIRLINES



To centralise and improve MRO services, Volga-Dnepr Technics is established

At the end of the year, Volga-Dnepr Group increases sales by 55% and becomes one of the world's 20 largest freight carriers.

2005

2006

2007

2008

2009



25 YEARS OF FLIGHT



AirBridgeCargo receives the 'Wings of Russia' award in the category 'Cargo Airline of the Year – International and Domestic Routes'.



Frankfurt am Main Airport recognises AirBridgeCargo as the best freight carrier.



AirBridgeCargo receives the 'Wings of Russia' award in the category 'Cargo Airline of the Year – International and Domestic Routes'.



Volga-Dnepr Airlines obtains the right to transport rocket and space equipment and fuel



AirBridgeCargo joins IATA and performs its first flight over the North Pole from Chicago to Krasnoyarsk.



AirBridgeCargo receives the international 'Golden Chariot' transport award.

AirBridgeCargo receives the 'Wings of Russia' award in the category 'Cargo Airline of the Year – International and Domestic Routes'.

AirBridgeCargo receives the title of the 'Best Cargo Airline' at Amsterdam Schiphol Airport.



Volga-Dnepr Group includes Atran Airlines, performing medium-haul cargo transportation

AirBridgeCargo becomes the first cargo airline to introduce scheduled flights between Russia and the United States.



2010

2011

2012



Volga-Dnepr Airlines transports more than 600 tonnes of medicines to 12 cities in North Africa to help in the fight against the outbreak of the Ebola virus.

AirBridgeCargo was named the 'Best Cargo Airline' at the 28th Asian Freight, Logistics and Supply Chain Awards (AFSCA)



AirBridgeCargo wins the prestigious 'Cargo Airline of the Year' award following an open vote among industry experts and buyers of air cargo services. The award is presented annually by the leading industry publication, Air Cargo News. Volga-Dnepr Group is also honoured with the 'Air Cargo Industry Achievement' in the World Air Cargo Awards.



Volga-Dnepr completed a major project in Papua New Guinea, which began in 2008 and which included the construction of the Komo high-altitude airfield. Over 103 days, an AN-124-100 made 88 flights and transported more than 6,000 tonnes of industrial equipment for ExxonMobil's new gas processing plant.



Volga-Dnepr Gulf, Volga-Dnepr's partner in the UAE, opens its new MRO hangar facility at Sharjah International Airport.



AirBridgeCargo is recognised as the 'Best Cargo Airline of the Year', according to customers voting in the annual Payload Asia Awards.

2013

2014

2015



LOGISTICS FOR HUMANITARIAN AND PEACEKEEPING MISSIONS

Since 1990, Volga-Dnepr Group has been providing services to transport humanitarian aid and special equipment for rapid response when man-made and natural disasters happen around the world.

Over the years, Volga-Dnepr Group has taken part in dozens of humanitarian and peacekeeping missions in various parts of the globe. The company's aircraft have provided humanitarian air transportation for the Red Cross, NATO member countries, and the EU.





 Norwegian Red Cross



On commission of the Norwegian Red Cross, an IL-76TD-90VD of Volga-Dnepr Airlines made two flights to Nepal to deliver 45 tonnes of humanitarian cargo. A mobile hospital for 60 people helped victims of the earthquake, which was the most powerful in the country since 1934.



Volga-Dnepr Airlines transported humanitarian cargo to Erzurum, Turkey, to help the victims of the region's earthquake.

VOLGA-DNEPR AIRLINES



Volga-Dnepr Group delivered humanitarian aid to help people affected by Typhoon Haiyan in the Philippines.



Volga-Dnepr performed flights within the mission to combat the Ebola virus in Africa.



An IL-76TD-90VD of Volga-Dnepr Airlines delivered more than 40 tonnes of humanitarian aid from Zurich International Airport to Erbil, Iraq, for the refugee camp housing victims of the civil war in Iraq.

2013

2013

2014

2014

2015

GEOGRAPHY OF OPERATIONS

Volga-Dnepr Group builds reliable air bridges for its partners worldwide. Today, its fast-growing route network spans five continents: Eurasia, North America and South America, Africa, and Australia. And even Antarctica is covered. In December 2015, an IL-76TD-90VD of Volga-Dnepr delivered cargoes to the White Continent for the first time.



934

charter flights
in 2015



11,592

scheduled flights
in 2015



In 2015, AirBridgeCargo launched scheduled flights to Singapore, Hanoi and Helsinki, as well as flights on transpacific routes from Asia to the United States.

Between November 2015 and April 2016, Volga-Dnepr performed a series of IL-76TD-90VD flights to Antarctica, carrying some 190 tonnes of cargo for international research and exploration teams working on the continent. The flights operated from and to South Africa.



> **33,725**

cargo charter flights since 1990



> The Group airlines fly to 310 airports in 120 countries of the world



> **~ 5 mln tonnes**

of cargo have been transported since 1990



Branches and representative offices of Volga-Dnepr Group



Route network of AirBridgeCargo (scheduled flights)



Route network of Volga-Dnepr (charter flights)



Key maintenance, repair and overhaul (MRO) centres



Route network of ATRAN (scheduled flights)

As of December 31, 2015



KEY PERFORMANCE INDICATORS



In the year of its 25th anniversary, Volga-Dnepr Group demonstrated good operating results, showing the success of its strategy focused on customers' needs. A key element of its business model is the concept of the Cargo Supermarket. Different types of aircraft, from heavy to medium-haul planes, performing both scheduled and charter cargo flights. A balanced and flexible business model helps us develop even in a difficult economic environment, when the reduction in one segment is offset by growth in another one.

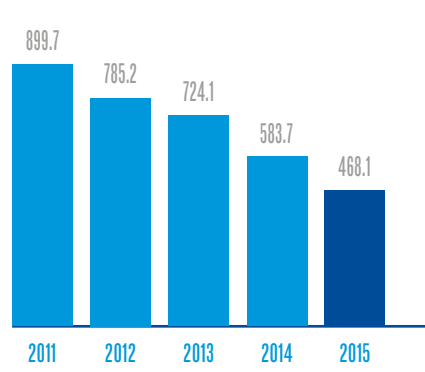
Sales volumes

Charter cargo transportation in 2015

468.1

USD million

Charter cargo transportation, USD million

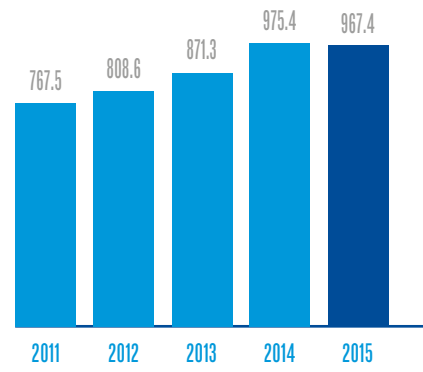


Scheduled cargo transportation in 2015

967.4

USD million

Scheduled cargo transportation, USD million

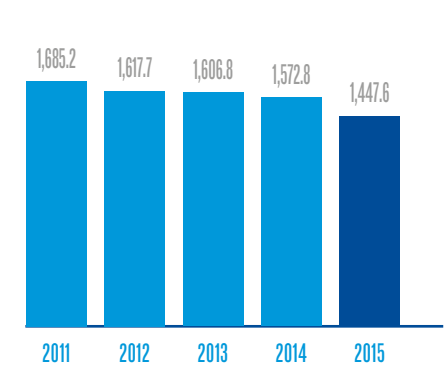


Total income in 2015

1,447.6

USD million

Total income, USD million





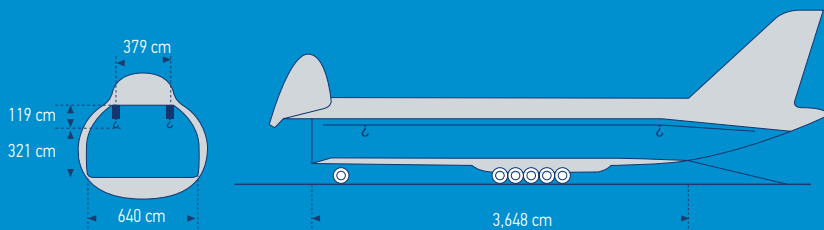
	2011	2012	2013	2014	2015
Revenue, USD million					
Charter cargo transportation	899.7	785.2	724.1	583.7	468.1
Scheduled cargo transportation	767.5	808.6	871.3	975.4	967.4
Miscellaneous revenue	18.0	23.9	11.4	13.6	12.0
Total revenue	1,685.2	1,617.7	1,606.8	1,572.8	1,447.6
Cargo turnover, thou. tonne-kilometres					
Charter cargo transportation	384,472	345,700.2	268,068	220,513	206,200
Scheduled cargo transportation	2,372,145	2,383,654	2,607,400	3,247,630	4,135,200
Total cargo turnover	2,756,617	2,729,354.2	2,884,973	3,468,143	4,341,400
Cargoes transported, tonnes					
Charter cargo transportation	62,618	65,929.2	53,857	40,655	32,800
Scheduled cargo transportation	285,028	307,648	350,864	360,678	618,100
Total cargoes transported	347,646	373,577.2	404,650	434,728	650,900
Fleet (as of December 31, 2015)					
AN-124-100	10	10	10	10	12
IL-76TD-90VD	4	5	5	5	5
Boeing 747	11	11	12	13	17
Boeing 737	–	2	2	2	3
AN-12	3	3	3	–	–
Staff					
Headcount of the Group	3,270	3,498	3,283	3,428	3,752

AIRCRAFT FLEET

AN-124-100 RUSLAN

✈ x 12

The world's largest series-produced commercial cargo aircraft, unrivalled in its lifting capacity (up to 120 tonnes) and the dimensions of its cargo compartment. It is the perfect solution for transporting unique, outsize and super-heavy cargoes.

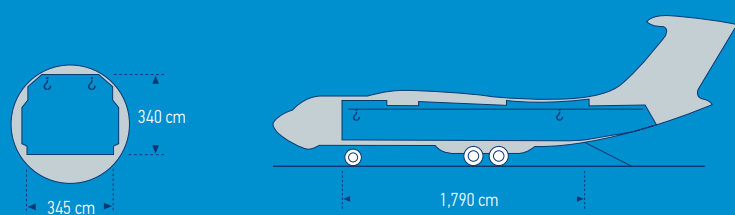


120 t
LIFTING CAPACITY

IL-76TD-90VD

✈ x 5

The upgraded version of one of the most successful aircraft in the history of worldwide cargo aviation, which accounts for 90% of urgent cargo transportation in the world. Compared with the standard IL-76, this modernised version has improved flight characteristics and fully complies with ICAO noise and emission requirements. The aircraft is approved for global air cargo operations without restrictions.

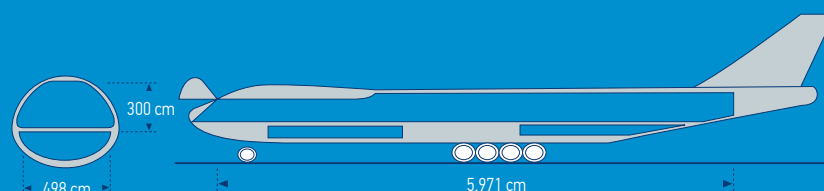


50 t
LIFTING CAPACITY

BOEING 747-8F

✈ x 8

The 747-8F is the latest generation of the iconic Boeing 747. It is distinguished by improved operational efficiency and a lifting capacity increased by 16%. Its maximum payload is 137 tonnes.



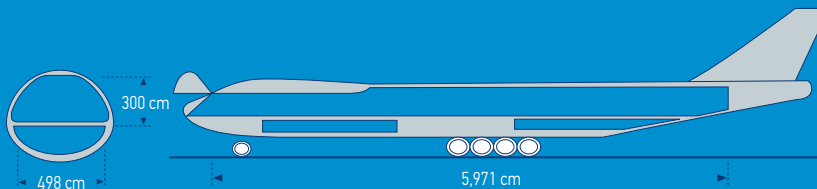
59.7 m **8,130 km** **137 t**
MAXIMUM CARGO LENGTH FLIGHT RANGE COMMERCIAL LOAD

The diversified fleet of Volga-Dnepr Group currently consists of 34 aircraft, ensuring the fast and efficient delivery of all customer cargoes anywhere in the world.

BOEING 747-400F/ERF

✈ x 9

One of the most reliable modern aircraft, capable of flying up to 9,200 km. Another advantage of the all-cargo B747 is its unique capability of simultaneous forward and lateral loading, which reduces the time required for loading/unloading and increases the productivity of the aircraft.



53.1 m
MAXIMUM CARGO
LENGTH

9,200 km
FLIGHT RANGE

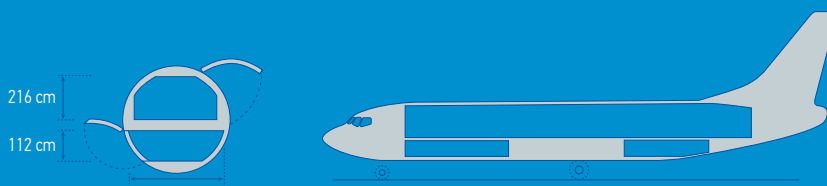
116 t
COMMERCIAL LOAD



BOEING 737

✈ x 3

The converted cargo version of the most popular plane in the history of passenger aviation. Ideally suited for short and medium-haul routes, including regional feeder and express services.



3,850 km
FLIGHT RANGE

19 t
COMMERCIAL LOAD



Fleet composition as of December 31, 2015

In 2015, four planes were added to the aircraft fleets of Volga-Dnepr Group companies: two AN-124-100 and two Boeing 747-8 Freighters. Thus, by the number of aircraft, the Group's fleet increased by more than 10%.

10 %

increase in the number
of aircraft in the Group's fleet.

OUR MULTINATIONAL TEAM

Today, Volga-Dnepr Group comprises more than 3,700 people working in 10 countries around the world. We share common team values: sensitivity to the needs of customers, solidarity, and professionalism.



More than
3,700
people



10 countries



* The ranking was based on a survey of 19,000 students of economic, engineering, and IT departments of 96 leading universities of Russia, as well as 15,000 experts with work experience.



In the year of its 25th anniversary, Volga-Dnepr Group became one of the 100 most attractive employers in Russia, according to the international consulting company Universum Group*.



5 continents



KEY CUSTOMERS



Over its 25 years of operations, Volga-Dnepr Group has accumulated a wealth of experience in the field of air cargo transportation which is highly appreciated by the company's customers all over the world. The unique capabilities of the AN-124-100, as well as individual loading/unloading solutions developed by the specialists of Volga-Dnepr Airlines, guarantee the quick delivery of non-standard (including oversized and extra-heavy) cargoes. Such services are in high demand among Russian and international companies operating in the aerospace, oil and gas, energy, automotive, engineering and other industries.

1,400 customers

entrust the delivery
of their cargoes
to Volga-Dnepr

AEROSPACE
INDUSTRY

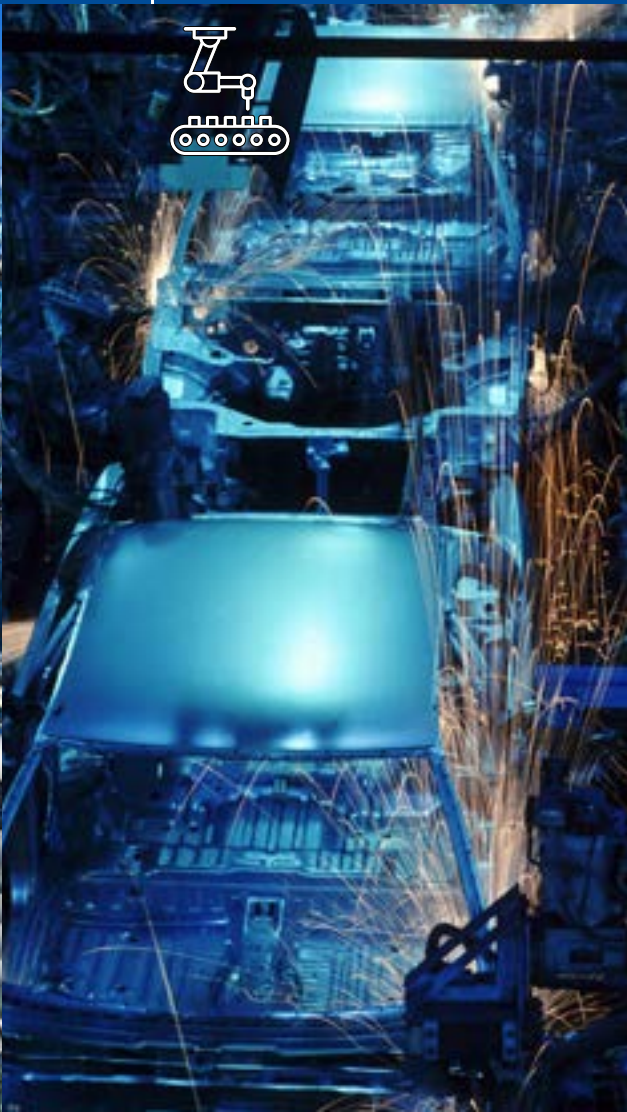


INDUSTRIAL
AND OIL AND GAS
EQUIPMENT



The capabilities of the Group include delivering thousands of automotive, heavy wheeled and tracked vehicles, subway cars, yachts and even submarines. Special attention is also paid to the delivery of humanitarian goods – Volga-Dnepr Airlines has been involved in peacekeeping missions all over the world. In addition, AirBridgeCargo performs scheduled flights to 27 destinations and is today a reliable logistics partner of the leading international transportation companies. ATRAN Airlines transports cargo on short and medium-haul routes between cities in Russia and Europe for the benefit of the largest express operators.

AUTOMOTIVE
INDUSTRY



HEAVY
MACHINERY



HUMANITARIAN
SUPPLIES



MANAGEMENT OF VOLGA-DNEPR GROUP

Volga-Dnepr Group



Alexey Isaikin
President



Sergey Shklyanik
Senior Vice President



Victor Tolmachev
Technical Director



Tatyana Arslanova
Vice President, Strategic
Management and Charter Cargo
Transportation



Sergey Pedan
Vice-President, Economics, Finance
and Accounting



Wolfgang Meier
Vice President, Marketing
and Development



Dmitry Obsharov
Vice President, Organisation
Development



Valery Gabriel
Vice President, Charter Business
Development



Alexander Eremin
Vice President, Property
Management



Vladimir Zubkov
Vice President, International
Communications



Alexander Ermonsky
Vice President, Engineering



Alexander Bashkov
Vice President, Crisis Management,
Executive President of Volga-Dnepr
Airlines

Volga-Dnepr Group



Galina Isaikina
Director of Corporate
Education Department

AirBridgeCargo Airlines



Denis Ilin
Executive President

ATRAN Airlines



Alexander Sidorin
General Director

NIC Insurance Company



Alexander Rodionov
General Director

Volga-Dnepr Technics Moscow



Evgeniy Kochetov
General Director

Volga-Dnepr Gulf



Victor Sherin
Managing Director

AMTES GmbH



Ildar Ilyasov
Managing Director

Volga-Dnepr-Leasing



Andrey Pakhomov
General Director

International School Istochnik



Irina Yakovleva
Project Manager

Private Further Education Institution 'GC Volga-Dnepr Corporate University'



Olga Sadykova
Managing Director

AN OVERVIEW FROM OUR MANAGEMENT



In 2015, Volga-Dnepr Group celebrated its 25th anniversary. We celebrated this remarkable milestone with dignity. Despite the difficult situation in the world economy, which inevitably affected the air freight market, all key businesses of the Group showed a positive financial result for the year. This was contributed to by the willingness to respond adequately and swiftly to emerging challenges and constant striving for development, allowing us not only to meet the needs of our customers, but to also anticipate them.

Since the establishment of Volga-Dnepr, we have focused on harmonious and sustainable development. Knowing how to plan for the future has helped us build a strong, stable structure for 25 years. It brings together businesses in the area of charter and scheduled cargo transportation, represented, respectively, by Volga-Dnepr and AirBridgeCargo, ground logistics, aircraft maintenance and repair facilities, and supporting businesses. Our diversification is reflected in the concept of the cargo supermarket whereby we offer a set of effective solutions for our customers to promptly and profitably deliver any complex cargo from door-to-door.

We are always mindful of our mission to build reliable air bridges that enable people around the world to share the results of their work. In our work, we are guided by a core set of human values: work for the benefit of society, care of employees' health and development, honesty to our customers and partners.

The strategic goal of our group remains unchanged: to become one of the three largest freight companies in the world by 2030. In 2015, the Group's total cargo turnover grew by 25.2%,

to 4,341.4 million tonne-kilometres. At the same time, the overall slowdown of the world economy had a negative impact on the changes in financial indicators of Volga-Dnepr. The most significant factor was low oil prices and, consequently, aviation fuel, resulting in the widespread decline in airfares. In 2015, the Group's sales totalled USD 1,447.6 million.

The main growth driver was scheduled transportation. This segment revenue reached USD 967.4 million. The charter segment, on the contrary, decreased by 19.8% to USD 468.1 million, which is associated with a decrease in demand for unique transportation amid the unfavourable macroeconomic situation.

Volga-Dnepr Airlines remains the recognised leader in the global market of cargo charter transportation. Its AN-124-100 Ruslan aircraft, unique in dimensions and lifting capacity, and upgraded IL-76TD-90VD aircraft, as well as the enormous technological experience gained by our staff over a quarter of a century, enables it to perform non-standard transportation of virtually any super-heavy and oversized cargoes to all

1,447.6

USD million
total volume of sales

238.8

USD million
EBITDA

16.5%

EBITDA
profitability

200 flights

to 11 countries weekly –
AirBridgeCargo

regions of the world. For example, in 2015, its aircraft delivered cargo to Antarctica for the first time.

AirBridgeCargo, in its turn, is the largest cargo airline in Russia and one of the fastest growing airlines in the world. In 2015, its cargo turnover increased by 27.3% and amounted to 4,135.2 million tonne-kilometres, whereas the whole industry grew by only 2.7%. Positive changes are due to the existence of a thought-out route network linking major aviation hubs in Europe, Asia and North America (31 destinations in 14 countries around the world). Last year, the airline launched flights to Singapore, Hanoi, and Helsinki, and also introduced scheduled transpacific flights to the United States, adding such destinations as Anchorage, Los Angeles and Atlanta to its route network in North America. According to an independent report by the C2K system, today AirBridgeCargo is one of the most punctual airlines in the world. Its fleet is considered to be one of the youngest and most efficient in the industry and features 15 modern Boeing 747 aircraft. Two of these were commissioned in autumn 2015 as part of the strategic agreement with Boeing Corporation, which provides for the supply of 20 new aircraft. This active fleet expansion demonstrates the confidence of the Group in holding its position in the market today and in the future.

In 2015, we also continued to develop the area of aircraft maintenance and repair. In Krasnodar Pashkovsky Airport we opened a facility intended for line maintenance of aircraft from the Boeing 737 and Airbus A320 families. Thus, today Volga-Dnepr Technics combines MRO bases in the territory of 10 airports in Moscow, Ulyanovsk, Krasnoyarsk and Krasnodar (Russia),

25.2%

Group turnover growth,
to 4,341.4 million tonne-
kilometres

Sharjah and Fujairah (UAE), and Leipzig and Frankfurt am Main (Germany). Our own capacity for fleet maintenance definitely improves the quality of our services.

We pay very close attention to security issues. After the tragedy that occurred in the capital of Mali, Bamako, last autumn, when six employees of the company perished in a terrorist attack, we decided to make further improvements in our security system that is based on respecting the highest international standards. Unfortunately, in today's world, we cannot completely rule out the possibility of terrorist threats, however, our direct responsibility is to minimise the risks and formulate a clear algorithm of actions for such situations.

We are deeply interested in the sustainable development of our staff and promotion of various social initiatives. Volga-Dnepr has traditionally been a partner and sponsor of many social projects and organisations. The Group successfully operates its Corporate University and Aviation Training Centre, where every year hundreds of people have the opportunity to improve their professional and personal skills. We have developed and implemented our Code of Work Ethics, which must be observed by not only our employees but also by our suppliers and partners. It is intended to create the most transparent, ethical and harmonious relations in the team, and between the company and society.

We are pleased that our efforts continue to be recognised by our customers all over the world. In 2015, the Group won the World Air Cargo Awards in the Air Cargo Industry Achievement Award category. In the Payload Asia Awards, Volga-Dnepr was named the 'Charter

27.3%

turnover growth in the scheduled
transportation segment,
to 4,135.2 million tonne-
kilometres

Airline of the Year', and AirBridgeCargo was named the airline of the year. In addition, AirBridgeCargo was named the Best Airline in the World, according to the results of an open vote of industry professionals, including customers and partners. This award is organised by the leading industry publication, Air Cargo News.

Such widespread recognition inspires us to achieve even greater results. This commitment is our main strength. We serve hundreds of customers on all continents and try to make our service offering even better every year. The clear proof of this is 2015; a difficult but successful year.

STRATEGY

MISSION

We build reliable air bridges that enable people around the world to share the results of their work. We change perceptions of air logistics through our unique capabilities. We are confident that we will reach our objectives by contributing to the success of each employee, leading to the success of the entire company.



Volga-Dnepr Group

OBJECTIVES 2020

Volga-Dnepr is a professional organisation, rapidly developing in the top three of the world air cargo industry, as well as a competitive investment project.

Cargo Supermarket in action. An open business structure is formed that develops and preserves the knowledge and competencies in the Group.

OBJECTIVES 2030

Volga-Dnepr is a professional organisation, a leader in the global air cargo industry.

The Group management system is the basis of its leadership in the global aviation industry due to the balance of interests of shareholders, employees, partners and society.

OUR VALUES

> Labour

> Health



Charter transportation

World leader in the charter cargo transportation market.

The company is an integrator in the segment of heavy and oversized cargo transportation, using the best cargo aircraft.

> Security



Scheduled transportation

The leader of the Russian scheduled cargo transportation market, one of the leaders of the global air cargo industry.

A group of cargo airlines, one of the five leaders of the global cargo aviation market, which sets the standard for the industry.

> Development



Maintenance and repair

The company has a competitive advantage in terms of maintaining airworthiness of the Volga-Dnepr fleet and is one of the leaders of the world aircraft MRO industry by sales volume.

A group of cargo airlines, one of the five leaders of the global cargo aviation market, which sets the standard for the industry.

> Honesty

GENERAL OBJECTIVE UNTIL 2020

- Transformation from a Russian company to an international and innovative cargo airline group, where our corporate culture
- is transformed into a culture of delivering the best solutions to
- satisfy the interests of our customers.

Strategic objectives to achieve the general objective of 2020:

Creating an international cargo airline group and its Management Centre

We are expanding our route network to global proportions, to always be within a walking distance of our customers. This means the appearance in the UK, the Netherlands, Hungary, the United States, China and other countries of new cargo airlines, whose networks cover all regional markets, given their local and international requirements. To deliver high quality services using our global cargo supermarket and provide maximum customer support, we will centralise our management and unify our work standards.

Developing offset strategic partnerships with Boeing and GE based on the ordering of Boeing 747 aircraft

We propose using the capabilities of our global air cargo supermarket to solve the logistical problems of the largest aviation manufacturer, Boeing Corporation. We have entered into a strategic agreement on ordering 20 aircraft to support the Boeing 747-8F production programme, and state-of-the-art aircraft engines made by GE.

Producing a new generation of 100 leaders

On the basis of vocational schools, knowledge management systems and mentoring, our Corporate University implements the presidential programme Future Leaders. Its goal is to increase the interest and motivation of employees, allowing everyone to become a real leader and, as a consequence, prepare a management reserve to address new opportunities and global challenges that may face the Group in the future.

Creation of a modern door-to-door operator (forwarder) of integrated services, the Engineering and Logistics Centre

By using the respected brand reputation of Volga-Dnepr, we create added value for our customers in terms of freight management and the implementation of unique engineering and design solutions for project logistics in various sectors of the economy.

These processes are based on the principles of separation and specialisation of labour, constant striving for innovation and building a direct relationship with the customer.

Organising a unified sales centre for the global cargo supermarket

We increase sales efficiency, and better understand and anticipate the needs of our customers, providing them with special conditions and complex services according to the single window concept.

Establishing an industry Knowledge Centre

The Industry Knowledge Centre creates an environment facilitating the free exchange of knowledge within the company, and builds and maintains various channels for knowledge exchange to enable the Group to achieve its strategic goal of 2020.

Implementing lean management in operations

We use advanced smart technologies, providing high efficiency and safety of people and the environment.

OBJECTIVE UNTIL 2030

- Volga-Dnepr Group is a professional organisation,
- a leader in the global air cargo industry
- (one of the top 3 largest freight carriers).



“ The strategy of Volga-Dnepr Group assumes that after contacting us, the customer receives a full range of services for the transportation of their goods. Charter flights and transportation on regular routes, ground logistics chains, engineering and technological solutions, multiplied by the unique developments of our specialists, will all ensure the delivery of any cargo in an optimal way for the customer. We call this business model a Cargo Supermarket.

Sergey Shklyanik

Senior Vice
President
of Volga-Dnepr
Group



Customers appreciate the Group for its ability to offer comprehensive solutions. For example, in September 2015, Volga-Dnepr Airlines transported a 50-tonne rotor from Germany to India, providing the customer, Siemens, with an additional set of engineering and logistics services. These services included the development of technical solutions for the cargo's transportation, assistance with customs and terminal processing, and delivery of the rotor to the place of use, as well as the rental of mobile cranes at Leipzig and Mumbai airports for loading/unloading of the equipment from the aircraft.

OUR VALUES

The activity of Volga-Dnepr Group is determined by its corporate values and principles, which enable it to do business in accordance with global ethical standards.

- > The basic value of Volga-Dnepr Group is the work, understood as a human activity benefiting society. Work can be viewed as a set of processes.
- >
- >



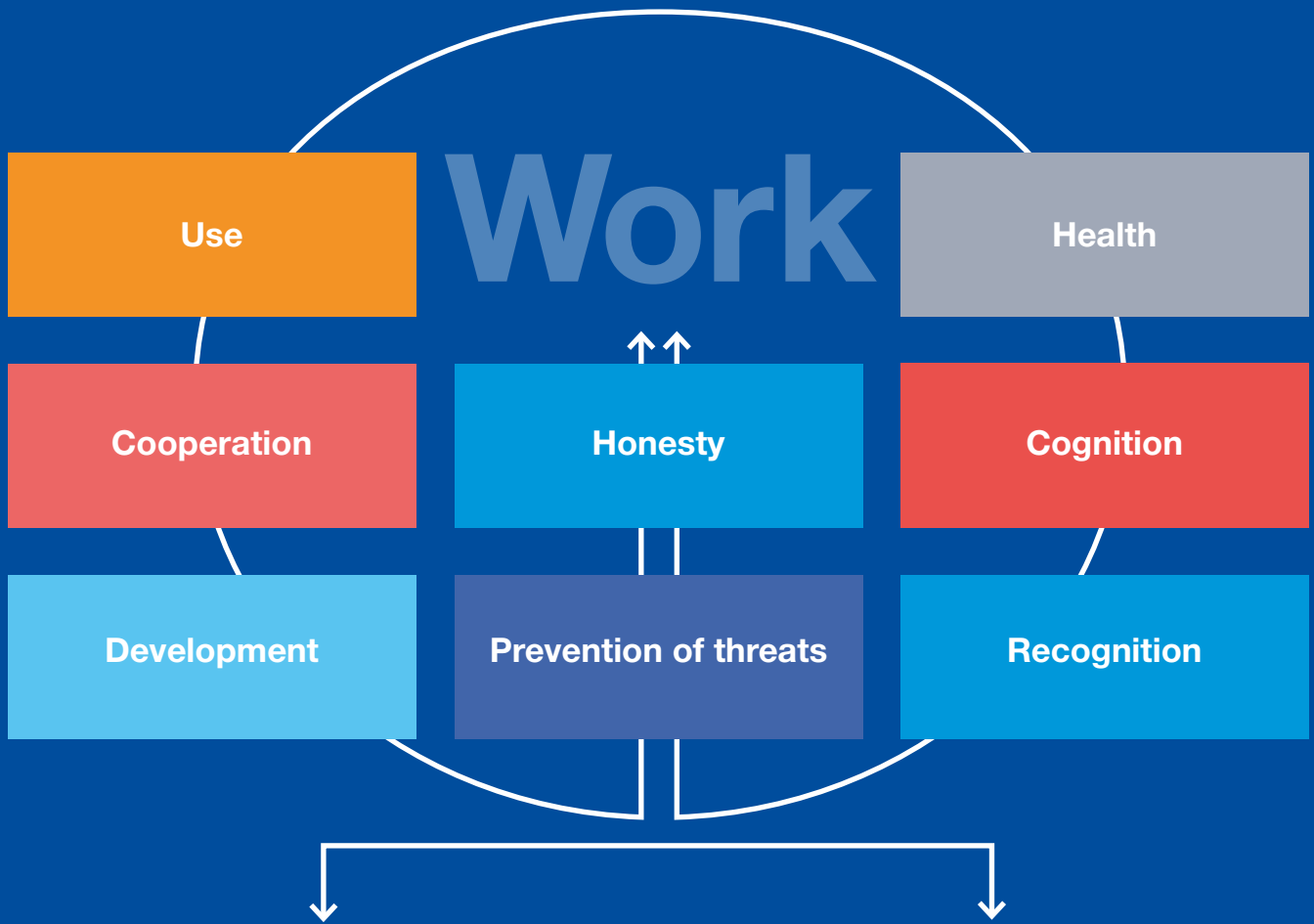
“ The main value of Volga-Dnepr Group is our common work, bringing benefits to our clients. It is directly connected to our other values embodied in the Group's Code of Work Ethics, which guide us in our everyday activities: concern about the health and safety of our employees and partners, development and honesty.

Dmitry Obsharov
 Vice President,
 Organisation
 Development,
 Volga-Dnepr Group



Volga-Dnepr Group employees operate on different continents, but this does not prevent them from sharing common values.





- > The process to benefit customers (and through them society as a whole) in the form of services and products of the company, personally performed by an employee (without transfer to someone else).
- > The process of obtaining recognition of customers for services rendered by the company through the conventional legal forms of recognition.
- > The process of organised cooperation in accordance with the the rules of labour division, specialisation and cooperation adopted by the company, as well as in contracts between the company and customers, and the company and suppliers.
- > The process of continuous learning necessary to benefit customers through education, preservation and transfer of knowledge, scientific and inventive activity.
- > The process of continuous development of our employees' work abilities (intellectual, emotional, communicative, physical, and energy) through continuous improvement (rationalisation) of labour processes.
- > The process of identifying and preventing threats to the survival and development of our customers, employees, the company, and suppliers.
- > The process of maintaining health as the basis of our employees' workability through the rational correlation between work, leisure, and learning.

OUR CODE OF ETHICS

The corporate values of Volga-Dnepr Group are most closely reflected in the Code of Work Ethics which was adopted in 2012 and since then has been obligatory for all employees, members of our Board of Directors, consultants, contractors, and suppliers of the Group.

The Code of Work Ethics is one of the most important corporate documents of the Group. In 2015, we also adopted the new version of the employment contract, where all the core values of corporate culture are contained, and started the process of contract renegotiating with staff.

Each employee takes mandatory training, knows the contents and principles contained in the Code and strictly follows them in real life. Volga-Dnepr Group requires a similar approach from its counterparties. They must attest in writing the fact that they have familiarised themselves with the Code and confirm their readiness to abide by all of its provisions. This helps minimise financial, reputational and other risks, improves the Group's image among its customers, increases labour efficiency and discourages corruption.

The Group pays particular attention to the openness and transparency of communications, creating an atmosphere conducive to frank interaction of the employees and management. For this purpose, a special hotline operates, where employees, including anonymously, have the possibility to report all violations of laws and rules set forth in the Code. An immediate and thorough investigation of such cases is the responsibility of the Work Ethics Division.

Volga-Dnepr Group employees are obliged to abide by gifts and hospitality provisions. Employees of the Group are prohibited to give or accept gifts in the form of cash, shares, or other securities. It is prohibited to present gifts to public servants, except where permitted by applicable law and agreed with the Work Ethics Division. The gifts obtained by employees valued above the limit are sold at auction, with the proceeds channelled to charity.

In the Group of Companies, we also created the Ethics Committee composed of senior managers. Its main purpose is to create and continuously improve the mechanism of responding to the emergence of conflicts related to the violation of ethical norms and rules of doing business.

The basis of ethical behaviour is strict compliance with the law. However, the Code sets even higher corporate standards than those prescribed by law. In terms of relationships between the company and employees, it provides for:

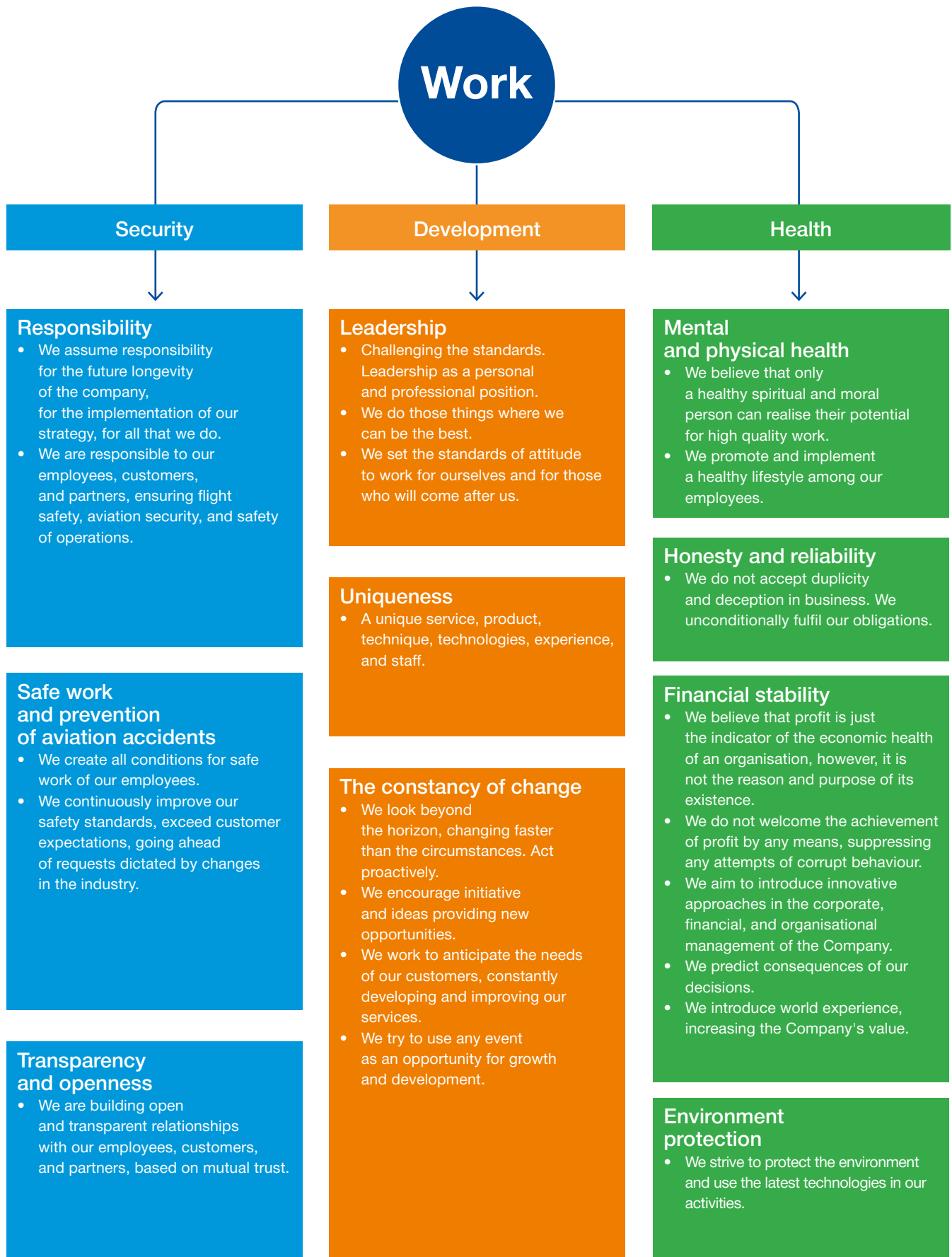
- recognition and observance of human rights;
- equal employment opportunity;
- compliance with all applicable requirements and standards in the field of working time and rest period regulation, as well as remuneration;
- compliance with law in matters of health and safety;
- implementation of the Group's policy of accident prevention and safety

management;

- responsibility of the Group's leaders for compliance with the Code, ensuring labour discipline;
- ban on unacceptable behaviour;
- fraud prevention;
- respect for the principles of confidentiality, information security requirements;
- prevention of conflict of interest.

In terms of relationships between the company and society, the Code provides for:

- combating corruption, bribery and commercial bribery;
- fighting against money-laundering;
- banning gifts in the form of cash, shares and other securities;
- compliance with antimonopoly laws and promoting fair competition;
- preventing fraudulent conduct;
- compliance with state control requirements;
- transparency of financial reporting: full, fair, accurate and timely disclosure of financial results and financial standing through financial transactions and keeping fiscal and tax accounting;
- environmental protection: the Group considers the activities in this area as an integral part of its business in the short and long term.



EVENTS IN OUR ANNIVERSARY YEAR

AWARDS

2015



AIR CARGO INDUSTRY
ACHIEVEMENT AWARD

category



JANUARY

Volga-Dnepr Gulf, a partner of Volga-Dnepr Technics in the Middle East, was honoured with a Distinction for SAA Lifelong Sustainable Achievement in the SAIF Zone Excellence Awards for its work at the Sharjah International Airport Freezone.

The company has been operating in the UAE since 1996. Today the company has state-of-the-art hangar facilities to perform aircraft maintenance work.

MARCH

On the eve of its 25th anniversary, Volga-Dnepr Group won its thirteenth 'Wings of Russia', National Aviation Industry Award.

The award, established in 2015, was in recognition of the Group's 'Contribution to the Development of Russian Air Transport'.

APRIL

A poll of 50,000 readers of the leading air cargo industry publication, Air Cargo News, resulted in AirBridgeCargo Airlines winning the prestigious 'All-Cargo Airline of the Year' award, presented at the 32nd annual awards ceremony in London.

AIRBRIDGECARGO
WAS RECOGNISED
THE WORLD'S BEST
AIR ALL-CARGO
CARRIER

MAY

Volga-Dnepr Group won the Air Cargo Industry Achievement Award in the World Air Cargo Awards. The prize for contributing to industry development, developing new products and services, and sustainable growth was presented at Air Cargo Europe, one of the most prestigious international exhibition and conference events of the industry – hosted in Munich.

in 1996

Volga-Dnepr Gulf commenced operations in the UAE



50 thousand

readers of Air Cargo News named AirBridgeCargo as the 'All-Cargo Airline of the Year' in the publication's 32nd annual awards



CHARTER AIRLINE OF THE YEAR

category



OCTOBER

Volga-Dnepr Group celebrated a double success in the Payload Asia Awards, established by a major publication in the air cargo aviation sector.

According to the on-line voting, 18,000 readers of the publication named AirBridgeCargo Airlines as the 'Best Overall Carrier of the Year', while Volga-Dnepr Airlines was voted best in the 'Charter Operator of the Year' category based on the decision taken by a panel of leading aviation and cargo industry experts.

18 thousand

readers polled by Payload Asia voted AirBridgeCargo 'Best Overall Carrier of the Year'

OCTOBER

The Baltic Air Charter Association (BACA), which unites participants of the global air charter industry, voted Volga-Dnepr Airlines 'Best Cargo Charter Airline' of the year. It is the sixth time BACA members have chosen Volga-Dnepr for this prestigious award.

VOLGA-DNEPR WAS RECOGNISED AS THE BEST CHARTER CARGO AIRLINE OF THE YEAR FOR THE SIXTH TIME



GLOBAL COMPETITIVENESS

category



OCTOBER

Volga-Dnepr Group won the special Global Competitiveness Award at the XI Annual Big Business Forum: 'Who Creates Russia's Economy' arranged by Expert RA, the leading Russian rating agency.

top 10

VOLGA-DNEPR AIRLINES



NOVEMBER

Volga-Dnepr Technics Moscow was named in the TOP 10 companies for innovation and TOP 30 major rapidly-developing companies in Russia based on the results of the TechUp (TekhUspekhh) 2015 competition.

Over 200 companies participated in the rating which took into account turnover, growth rate and the innovative nature of company products.

The awards ceremony to celebrate the winners was held during Moscow's International Open Innovations Forum.

tex **vc** **nex**
top 30

Volga-Dnepr Technics Moscow was named among Russia's 30 largest and fastest-growing companies in the TechUp 2015 Awards

EVENTS IN OUR ANNIVERSARY YEAR

FLEET AND ROUTE NETWORK

2015



JANUARY

AirBridgeCargo Airlines started regular flights to Helsinki.

The new twice-weekly flights operate from Moscow's Sheremetyevo airport to the capital of Finland, returning to Moscow via Frankfurt.

AIRBRIDGECARGO AIRLINES LAUNCHED SCHEDULED FLIGHTS TO HELSINKI



APRIL

AirBridgeCargo Airlines extended its international route network by launching flights to Vietnam.

The twice-weekly flights connect the ABC's hub in Moscow with Hanoi via Hong Kong and offer further possibilities to deliver cargoes to Europe and the USA.



APRIL

AirBridgeCargo begins transpacific flights with the launch of two flights a week from Shanghai to Anchorage.

This further strengthened the airline's presence on the West Coast of the United States.

For the year as a whole, results show that 27% of all cargo delivered to the USA was onboard transpacific flights.

AIRBRIDGECARGO AIRLINES LAUNCHED PACIFIC FLIGHTS

27%

of cargo into the U.S. was transported onboard transpacific flights in 2015

SEPTEMBER

AirBridgeCargo started direct Boeing 747 cargo flights from Moscow to Singapore twice a week, offering a further flight connection in Hong Kong and access to the airline's entire global route network.

9th

ONLINE STATION IN ASIA PACIFIC TO BE OPENED BY AIRBRIDGECARGO IN SINGAPORE





AN-124-100 aircraft joins Volga-Dnepr's fleet, making 12 in total



new Boeing 747-8 Freighters join the fleet of AirBridgeCargo



OCTOBER

Volga-Dnepr Group and Sberbank Leasing JSC entered into a finance lease agreement that resulted in two more AN-124-100 freighters being added to the Group's fleet.

Volga-Dnepr is one of the few companies with the proven capability of operating the aircraft, which requires both considerable expertise as well as the availability of a developed maintenance infrastructure.

NOVEMBER

A Volga-Dnepr Airlines' IL-76TD-90VD aircraft makes history for the Group after becoming its first-ever flight to Antarctica's ice airfield.

The freighter completed a series of runs to confirm performance capability and the engine reverse thrust application range in Antarctica's unique operating conditions. The subsequent amendments made to the IL-76TD-90VD Aircraft Flight Manual (AFM) now enable the IL-76TD-90VD aircraft to operate flights to ice airfields and to carry up to 90 people.

NOVEMBER

Two new Boeing 747-8 Freighters were added to AirBridgeCargo's fleet.

These are the first aircraft to be delivered under the order for 20 new 747-8Fs signed between Volga-Dnepr Group and Boeing Corporation at the Paris Air Show in Le Bourget in June.

NOVEMBER

AirBridgeCargo commences flights to Atlanta, thus adding another destination to its route network in North America.

The new twice-weekly Boeing 747 cargo flights operate every Friday and Sunday, giving AirBridgeCargo's global customers even greater access to and from the North American market.

64.1%

of the world's entire An-124-100 commercial fleet is operated by Volga-Dnepr.



EVENTS IN OUR ANNIVERSARY YEAR

CERTIFICATION AND MRO

2015



FEBRUARY

Volga-Dnepr Technics opened a line station at Krasnodar-Pashkovsky airport.

The new facility is designed to perform aircraft line maintenance of Boeing 737 and Airbus A320 family aircraft after passing all required procedures to receive European Aviation Safety Agency (EASA) approval.



NEW SITE
FOR BOEING 737
AND AIRBUS A320
MAINTENANCE

VOLGA-DNEPR AIRLINES



VOLGA-DNEPR AIRLINES



APRIL

The first of Volga-Dnepr's unique fleet of AN-124-100 Ruslan freighters was painted using a new technology with a more resistant coating. It is designed to improve aerodynamic properties and reduce fuel consumption by 1-1.5%. The aircraft was painted by Ulyanovsk-based Spektr-Avia.

1.5%

decrease in fuel consumption and improved aerodynamic properties result from the Group's decision to use a new painting technology with a more resistant coating for its AN-124-100 aircraft



THE AUDIT WAS MADE USING MORE THAN 800 STANDARDS AND COVERED ALL MAJOR AREA OF ACTIVITIES OF THE AIRLINE



DECEMBER

AirBridgeCargo Airlines successfully passed the audit procedures for compliance with the International Air Transport Association's (IATA) Operational Safety Audit (IOSA).

The airline's IOSA certificate and the operator's IATA status were extended until November 2017. This audit was conducted to confirm more than 800 standards and reviewed all of AirBridgeCargo's core activities from flight operations, quality control and its management system to maintenance and ground handling.





COOPERATION

2015



FEBRUARY

Volga-Dnepr Airlines signed a corporate agreement with Advanced International Networks (AIN) that connects major players in the world logistics market.

The partnership makes it possible to work more efficiently with the largest independent freight forwarders and project logistics professionals around the world.

FEBRUARY

Volga-Dnepr Technics took part in the MRO Middle East 2015 Exhibition, held on February 2-3 in the UAE.

Based on the results of the exhibition, cooperation agreements were reached and contracts were signed with Etihad Airways Engineering, Atlas Air, JorAMCo, Safi Airways, RSE Berkut, and Air Atlanta.

JUNE

At the Paris Air Show at Le Bourget, Volga-Dnepr Group and Boeing Corporation signed a Memorandum of Understanding for AirBridgeCargo Airlines to be supplied with 20 new Boeing 747-8 Freighters.

The agreement also envisages using Volga-Dnepr Group's services to provide logistics support for Boeing and its suppliers using its AN-124-100 and 747 fleet.

NOVEMBER

Joint Stock Company RZD Logistics and Volga-Dnepr Airlines signed a strategic partnership agreement.

As a result, both companies can provide services for organising air and rail transportation on mutual terms.

This enables the partners to scale their distribution channels and diversify their services.



VOLGA-DNEPR'S GLOBAL CARGO SUPERMARKET

At the core of the Volga-Dnepr Group business model is the concept of a global cargo supermarket. This is a whole complex of services including charter and scheduled air freight, ground logistics, original engineering solutions for loading/unloading and transportation of cargo, assistance with customs clearance, insurance, etc. Altogether, they make it possible to quickly, efficiently and economically deliver any complex cargo from door-to-door, whether it consists of perishable products, a space satellite or a multi-tonne rotor for an oil and gas turbine. A customer needs only to turn to the Engineering and Logistics Centre of Volga-Dnepr Group.

Engineering and Logistics Centre

The main link of the global cargo supermarket is the Engineering and Logistics Centre which coordinates the actions of the Group's companies to provide comprehensive cargo delivery services. Available 24/7, the engineering and Logistics Centre develops the most effective solutions for the delivery of a wide variety of cargoes. Centre staff are based at three main offices of Volga-Dnepr Group in Russia, the UK and USA. Each shipment at all stages of the planning and development of an integrated solution is assigned to an expert who is in close contact with the customer to provide the information they need, including timely updates on the transportation process.

Services of the cargo supermarket

Charter and scheduled freight transportation using the AN-124-100, IL-76TD-90VD, Boeing 747 and Boeing 737, including the following services:

- employing multimodal transport schemes involving road, rail and water transport worldwide;
- technical examination of cargo, consultation on possible methods of delivery, and advice on packaging and transportation starting from any stage of the cargo life cycle, including at the stage of design and production;
- development and production of special transportation systems for a specific project;
- planning an optimal route, from the production site to the final destination;
- provision of ground equipment at airports of loading/unloading, ground transportation of cargo to/from the airport, including obtaining all necessary permits;
- granting special loading/unloading equipment;
- assistance with customs clearance, insurance and storage of goods;
- use of smaller aircraft to optimise the cost efficiency of the service.



Experience in organising air transportation



A versatile and complementary aircraft fleet



An extensive network of routes and representative offices



Own fleet of trucks



Own insurance operator



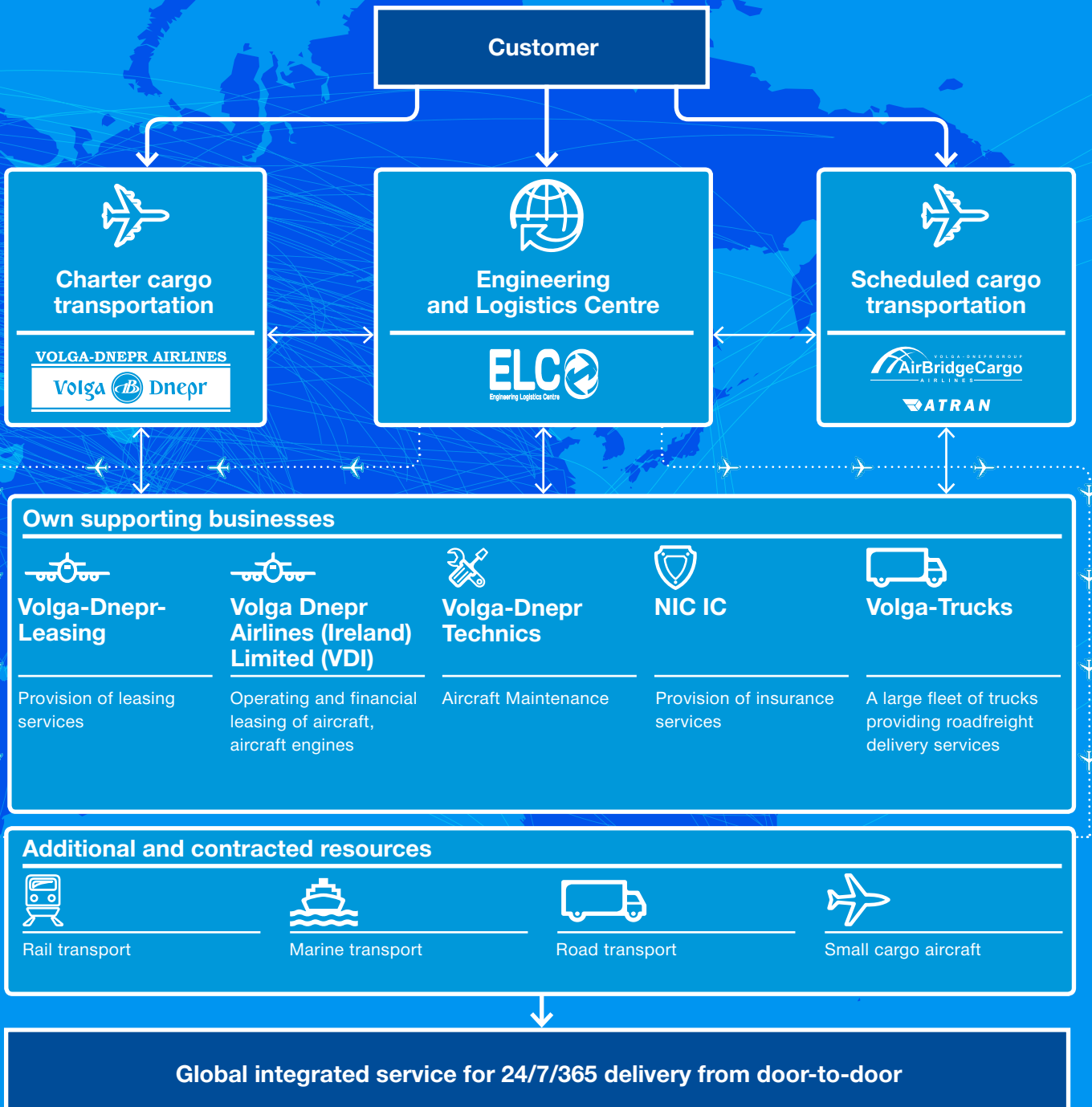
Own technical engineering developments for unique and complex cargoes



“ We follow the path of industrial specialisation and enhancing our professional competencies – especially for those units that communicate directly with customers. Group employees, from top managers to all staff, are committed to finding the best logistics solutions that correspond to the high requirements of our customers. This approach underpins our work with customers in all major sectors of the world economy, including the aerospace, heavy engineering, oil and gas, and energy industries.

Tatyana Arslanova

Vice President, Strategic Management and Charter Cargo Transportation, Volga-Dnepr Group



In 2015, the airlines in the Group transported more than 650,000 tonnes of different cargoes, from space satellites to millions of young fish to repopulate rivers.

CARGO SUPERMARKET IN ACTION

2015

46

new customers chose to work with Volga-Dnepr in 2015

DEVELOPING BEST SOLUTIONS FOR CUSTOMERS, BASED ON THE CAPABILITIES OF THE FLEET OF THE ENTIRE GROUP



70-tonne

An electrodynamic shaker was delivered from Shanghai (China), to Chelyabinsk (Russia)



JANUARY 1

Even on public holidays, Volga-Dnepr is always ready to demonstrate the effectiveness of its cargo supermarket service offering, which aims to always deliver the best solution for each customer taking into account the range and capability of the Group's aircraft fleet. On this occasion, its prompt delivery was a high value shipment to Russia's capital using a Boeing 737 express freighter.

Volga-Dnepr's commercial team received a request from Proair Logistics Company for an urgent delivery of valuable cargo during the Christmas and New Year's Eve period. The perfect aircraft solution was to charter one of the Group's Boeing 737-400 freighters operated by Atran Airlines, the express cargo carrier, which joined the Group in 2011.

Volga-Dnepr's specialists obtained all of the necessary permits for the flight in the shortest possible timescale, enabling the 737-400 to ensure the shipment arrived at its destination in Moscow within the tight delivery deadline.

JANUARY 22

Volga-Dnepr Airlines transported a 15-tonne piece of mining equipment from Anapa to Murmansk onboard one of its IL-76TD-90VD freighter aircraft.

The customer, mining and metallurgical company Norilsk Nickel, was provided with a full range of engineering and logistics services, from the provision of unique loading equipment to ground transportation to the cargo's final destination.



15 tonnes

equipment for ore extraction was delivered from Anapa to Murmansk

JANUARY 28

Volga-Dnepr delivered a 70-tonne electrodynamic shaker used to examine the durability of objects or to calibrate instruments from Shanghai (China), to Chelyabinsk (Russia).

Loading and unloading this unusual piece of equipment, required external crane trucks and 7 tonnes of special equipment developed by the airline's engineers for its transportation onboard an AN-124-100 Ruslan.



FEBRUARY 4

Two of Volga-Dnepr's IL-76TD-90VD aircraft performed flights from Kazan (Russia) to Karshi (Uzbekistan) to deliver over 50 tonnes of gas equipment for a new partner, logistics provider G&O Solutions.

G&O was one of 46 new clients to chose Volga-Dnepr in 2015. Altogether this new business accounted for some 6% of total sales for the year.



50 tonnes

of oil and gas equipment was delivered from Kazan (Russia) to Karshi (Uzbekistan)



35 tonnes

of oil and gas equipment was delivered onboard an IL-76TD-90VD flight from Prestwick (Scotland), to Istanbul (Turkey)



50-tonne

rotor was transported from its production site in Mülheim (Germany) and delivered to its place of operation in Mumbai (India) for Siemens



FEBRUARY 13

It took Volga-Dnepr Airlines' experts in Ulyanovsk and Stansted just three days to expedite the delivery of an urgent 35-tonne shipment of oil production equipment onboard one of its IL-76TD-90VD freighters from Prestwick (Scotland) to Istanbul (Turkey).

Special loading equipment was delivered from Leipzig to Scotland especially for this flight. Despite a strong 20mph wind, the aircraft's technical crew completed the loading without any delay.



MARCH 17

Volga-Dnepr Airlines' experts conducted a unique operation to deliver an oil refinery stripping tower from the USA to Iraq for the Taq Taq Operating Company.

The 70-tonne single piece of equipment was two metres longer than the cargo compartment floor of the AN-124-100, the biggest series-produced transport aircraft in the world. To meet this challenge, Volga-Dnepr created a unique engineering and logistics solutions, including a special cradle to facilitate the loading and unloading, and protect the integrity of the tower during transportation. This ensured the tower's safe, on-time arrival in Iraq and enabled it to start work in the oilfield ahead of schedule.



70-tonne

purification tower for oil refining was delivered from the USA to Iraq

MARCH 18

Volga-Dnepr Airlines successfully managed the transportation of a 50-tonne rotor from its manufacturing plant in Muelheim (Germany) to an operating site in Mumbai (India) having provided regular customer Siemens with a full range of engineering and logistics services to facilitate the movement.

In addition to air transportation onboard an An-124-100, the airline developed technical solutions for the cargo's transportation and provided assistance for customs clearance and cargo terminal handling procedures. It also organised the lease of mobile cranes at both Leipzig and Mumbai airports to load and unload the rotor.



MARCH 19

The Russian telecommunication satellites Express AM7 and Express AM8, which successfully launched last spring, were delivered to the Baikonur Cosmodrome by one of Volga-Dnepr Airlines' AN-124-100 aircraft.

The high-precision and sensitive satellites were secured inside a special shipping container for the transportation. Strict pressure and temperature levels were maintained in the cargo compartment to protect the satellites and the flights were performed at a low altitude of 9.5 km.



CARGO SUPERMARKET IN ACTION

2015



17 tonnes

of equipment for oil production was delivered to Singapore from Stavanger (Norway)



40-tonne

propeller shaft for repair of a marine vessel was delivered by an IL-76TD-90VD from Laage (Germany) to Florianopolis (Brazil)



APRIL 3

Over 200 participants in the 2014–2015 Biathlon World Cup held in Khanty-Mansiysk (Russia) received their sports equipment with the help of Volga-Dnepr Airlines.

This valuable cargo carried onboard the modernised IL-76TD-90VD aircraft was accompanied by the German biathlete Erik Lesser, a double World Champion in 2015, and a two-time silver medal winner in the 2014 Winter Olympic Games.

MAY 7

On behalf of international logistics company Pentagon Freight Services, Volga-Dnepr Airlines transported 17 tonnes of oil and gas equipment from the Norwegian city of Stavanger to Singapore, where the Ivar Aasen oil platform deck is under construction. It will eventually be used in one of the largest shelf areas in the North Sea.

MAY 13

Over a weekend, Volga-Dnepr Airlines and international logistics company Chapman Freeborn organised.

The urgent transportation from Zurich (Switzerland) to Salvador (Brazil) of a 28-tonne rotor for an oil refinery. Faulty equipment meant work at the refinery faced a lengthy interruption but this was avoided thanks to a fast and efficient delivery of replacement equipment to Brazil.

JUNE 1

Volga-Dnepr Airlines completed the urgent delivery of a 40-tonne propeller shaft to repair a ship.

The cargo was transported Onboard one of its IL-76TD-90VD Freighters from Laage (Germany) to Florianopolis (Brazil).



28-tonne

rotor for an oil refinery was delivered to Salvador (Brazil) from Zurich (Switzerland)



3



energy substations for the global project to widen the Suez Canal were delivered on a single flight from New York (USA) to Cairo (Egypt)



21-tonne

laser unit was delivered from Örebro (Sweden) to Japan

JUNE 15

Three power substations for the global Suez Canal expansion project were carried by Volga-Dnepr from New York (USA) to Cairo (Egypt).

The technical assessment of the cargo conducted by Volga-Dnepr's experts revealed that the equipment exceeded the height of the aircraft's cargo compartment. The airline's engineers offered an effective solution involving the dismounting of the upper and lateral components of the substations, making the delivery possible.

AUGUST 13

To ensure the delivery of two 16-tonne mobile drilling units from Liege (Belgium) to Al-Kuwait (Kuwait), Volga-Dnepr Airlines completed two simultaneous IL-76TD-90VD flights in order to complete both deliveries in sequence, as requested by the customer.

This solution made it possible to reduce the delivery time and once again confirmed the company's ability to meet all customer requirements.

AUGUST 27

Volga-Dnepr's experts arranged for the delivery of high-value industrial laser equipment from Erebro (Sweden) to Japan having ensured the sensitive cargo was correctly fixed into the cargo hold and was ready to travel in a special temperature environment.

The sensitive nature of the cargo meant it took six months to prepare for this technically challenging flight.



16-tonne

mobile drilling rigs were delivered simultaneously on two IL-76TD-90VD aircraft from Liege (Belgium) to Al-Kuwait (Kuwait)

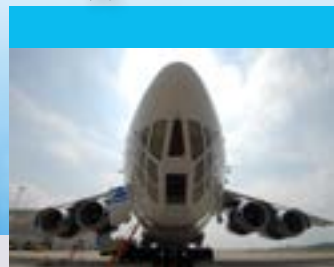


CARGO SUPERMARKET IN ACTION

2015



NUNA IS A MULTIPLE CHAMPION AMONG SOLAR-POWERED VEHICLES



AUGUST 28

One of ATRAN's Boeing 737 freighters delivered a particularly unusual cargo from St Petersburg to Salekhard – more than 1.2 million young Muksun fish that were being flown to Salekhard to help restore the population of this freshwater whitefish in the Ob River basin.

This is the first time that Muksun fish have been transported by air.

SEPTEMBER 4

An AirBridgeCargo Airlines' Boeing 747 freighter moved the unique Nuna solar-powered car from the Netherlands to Hong Kong to take part in the World Solar Challenge 2015 in Australia.

The Nuna car is a proven champion among solar-powered transport vehicles.

SEPTEMBER 7

To decorate the capital of Uzbekistan, Tashkent, for the Summit of the Shanghai Cooperation Organisation, a Volga-Dnepr IL-76TD-90VD delivered 28 Cypress trees from a nursery in Germany.

SEPTEMBER 19

Volga-Dnepr provided an additional set of engineering and logistics services for the Dutch transport company Agility Projects Rotterdam for the transportation of oil equipment from Maastricht (the Netherlands) to Farab (Turkmenistan).



1.2 mln

muksun fish were transported from St Petersburg to Salekhard to restore the population of this freshwater species of salmon in the Ob River basin





NOVEMBER 4

Within a week Volga-Dnepr performed six IL-76TD-90VD flights from Sweden to the UK to transport 120 tonnes of clothing for a well-known consumer brand.

The main requirement of the customer was to ensure the regularity of flights because the clothing was to be sold through its online store on 'Black Friday', one of its busiest retail days of the year.



NOVEMBER 11

Przewalski horses fly! Volga-Dnepr Group's specialists organised the carriage of these rare horses onboard one of the Group's Boeing 737-400SF freighters from Montpellier (France) to Orenburg (Russia) as part of a project to reintroduce the species to the Ural steppes.



NOVEMBER 16

Racing cars participating in the 62nd Macau Grand Prix, one of the most prestigious motorsport events in the world, were delivered from Luxemburg to China by AirBridgeCargo Airlines in cooperation with JAS Worldwide Motorsport Logistics.



DECEMBER 17

Volga-Dnepr Airlines completed its first-ever aerial cargo drop from an IL-76TD-90VD freighter.

The delivery saw 208 barrels of fuel for helicopters and small aircraft parachuted from a height of 500 metres through the aircraft's open cargo door onto a remote airfield in the Antarctic.



VOLGA-DNEPR AIRLINES



OUR CHARTER CARGO TRANSPORTATION

VOLGA-DNEPR AIRLINES

Volga  Dnepr

The history of Volga-Dnepr Group began with cargo charter flights and they remain one of the key areas of its activities. Volga-Dnepr Airlines has been involved in global charter transportation services for 25 years. Today, it is the world's largest operator of An-124-100 Ruslan freighters and modernised IL-76TD-90VD aircraft. The unique capabilities of these aircraft are complemented by the exception knowledge and expertise of the airline's employees in finding the best solutions for its customers' most complex technical and logistical challenges. This has earned Volga-Dnepr the position as the undisputed leader in the segment of air transportation for the carriage of non-standard, super-heavy and oversized loads. Today, its customers include major industrial, transportation and logistics companies all over the world. The airline's services are also often in demand to support international humanitarian and peacekeeping missions.

33,725

total number of flights
since 1990

Partners



In 2015, Volga-Dnepr was recognised as the best charter airline of the year in a poll of 18,000 readers of the air cargo industry magazine, Payload Asia.

PAYLOAD
AWARDS ASIA 2015





“ In general, I think 2015 was positive for us. Despite the abundance of negative factors influencing the global economic situation, Volga-Dnepr Group once again proved its stability and even continued to increase business volumes. All the major business units of the Group finished the year with a positive financial result.

Alexander Bashkov

Vice President, Crisis Management, Executive President of Volga-Dnepr Airlines

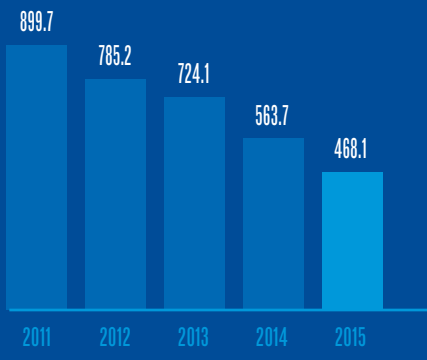


Sales volume in 2015

468.1

USD mln

Sales volume, USD mln

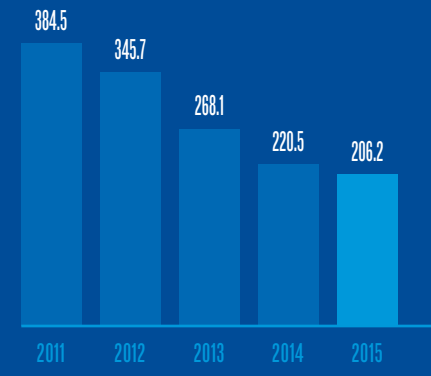


Cargo turnover in 2015

206.2

mln tonne-kilometres

Cargo turnover, mln tonne-kilometres

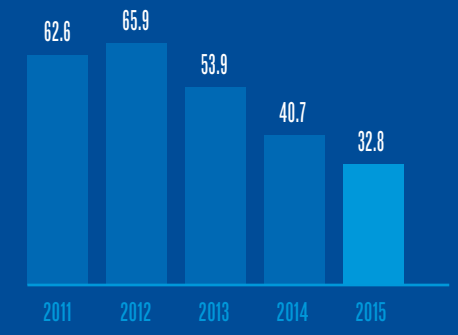


Cargoes transported in 2015

32.8

thou. tonnes

Volume of cargoes transported, thou. tonnes



GEOGRAPHY OF CHARTER CARGO TRANSPORTATION*



92%
market share of AN-124-100 transportation by sales volume, a YoY increase by of 12%.


934
flights in 2015

A unique fleet of heavy cargo aircraft 

12	5
An-124-100 Ruslan aircraft	IL-76TD-90VD



* Since the company's establishment (1990).



IATA IOSA Certificate



**Member
of the International
Air Transport
Association (IATA)**



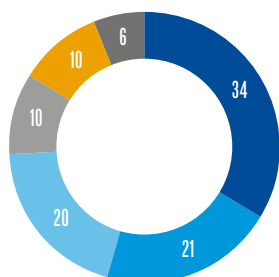
**Member
of The International Air
Cargo Association (TIACA)**



VOLGA-DNEPR AIRLINES

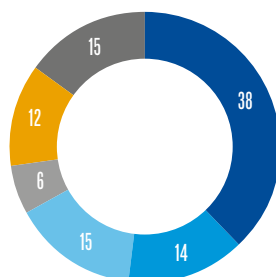
In 2015, Volga-Dnepr Airlines performed 934 flights, a slight increase vs. the previous year (911). Volume of transported goods fell by 19.3%, to 32,800 tonnes. Revenue decreased by 19.8% and totalled USD 468.1 million. Such a trend was predictable: the evolving crisis of the world economy contributed to the redistribution of traffic flows in favour of less expensive types of aircraft. However, the share of Volga-Dnepr Airlines in the world market of AN-124-100 transportation in USD by sales volume increased by 12% and reached 92%.

Structure of charter transportation by customers' industries for 2014, %



- Aerospace
- Oil and Gas
- State Customers
- Industrial equipment
- Energy
- Other industries

Structure of charter transportation by customers' industries for 2015, %



- Aerospace
- Oil and Gas
- State Customers
- Industrial equipment
- Energy
- Other industries

In 2015, the airfreight transportation market faced a number of serious challenges. Among these were a drop in demand for transportation of oil and gas equipment due to the lower oil prices and the subsequent interruptions to large-scale projects, the reduction of military and humanitarian shipments due to the lack of major NATO operations and funding problems facing humanitarian organisations, and decreasing trade volume with the EU in USD associated with the weakening of the rouble.

However, even in these difficult conditions Volga-Dnepr was able to expand its customer base by adding 46 new customers, including ALCI



(ANTARCTIC LOGISTICS CENTRE INTERNATIONAL), BelGorKhimProm, Mitsuba, Lavochkin Research and Production Association and others. In general, the share of orders from companies who worked with Volga-Dnepr for the first time amounted to about 6% of the total sales.

The key customers of the airline in 2015 included such giants as Shell, Bollor Group, Boeing, General Electric, Lockheed Martin, Chapman Freeborn, Panalpina, Aerospace (Beijing) Logistics and Ceiba Cargo.

The main growth was achieved in the aerospace industry. The share of such orders in the structure of AN-124-100 and IL-76TD-90VD charters increased from 34% to 38%. In particular, Volga-Dnepr delivered to Baikonur Cosmodrome the Russian-made telecommunication satellites Express AM7 and Express AM8, as well as the Turkish Türksat 4B satellite. As early as January 2016, a Ruslan made three flights to transport equipment and materials for the research programme of the European Space Agency (ESA) and Russia's Federal

Space Agency (Roscosmos) known as ExoMars. Its main goal is the search for possible traces of life on Mars.

Another positive trend, from 10% to 12%, was demonstrated by the transportation of equipment for the energy industry. The orders in this area include delivering three electrical substations from New York to Cairo to support operations to widen the Suez Canal.

A total of 70% of flights in the charter segment were performed on the AN-124-100 in 2015. Most often, the goods were transported from Europe, Russia, the CIS and North America to Africa, India, the Pacific and the Middle East. Most flights on the IL-76TD-90VD aircraft were made in Europe, Russia, the CIS and Africa.

Critical challenges faced by Volga-Dnepr last year and are still relevant for the future. This includes extending the sales infrastructure, creating a proactive marketing structure and improving the availability of charter cargo transportation services due to the positioning of aircraft in regions with a high concentration of customers.

So, the airline confirmed the possibility of long-term parking at Johor Bahru (JHB) airport in Malaysia, where planes can wait for our next orders in the region.

This airport was chosen as one of the closest to Singapore, from where we frequently receive requests. In the future, it is planned to open fully-fledged operating bases in America, Europe, Southeast Asia and the Middle East with aircraft stationed in each region.

To implement this strategy, Volga-Dnepr continued to invest in its fleet. In 2015, two more AN-124-100 joined the fleet, thus, their total number increased to 12. We also performed consistent work to bring aircraft of this type to a single technical standard and extend their service life.



30%

of the cargo transportations by Volga-Dnepr Airlines were completed by its fleet of IL-76TD-90VD freighters

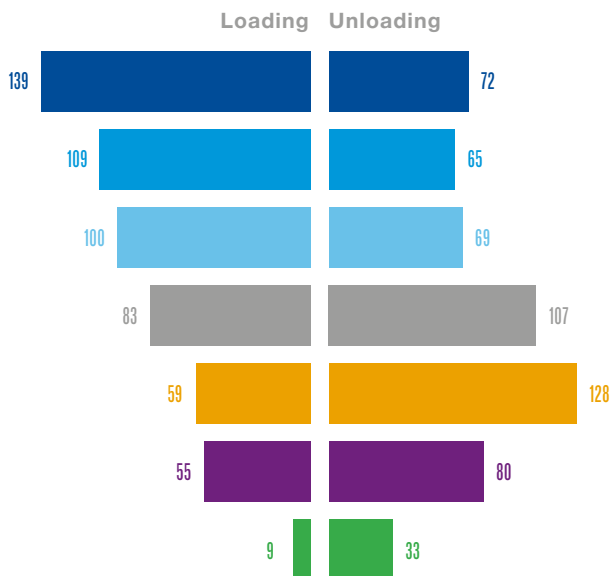
70%

of the cargo transportations by Volga-Dnepr Airlines were completed by its fleet of AN-124-100 freighters





Number of flights on the AN-124-100 by loading/unloading regions in 2015

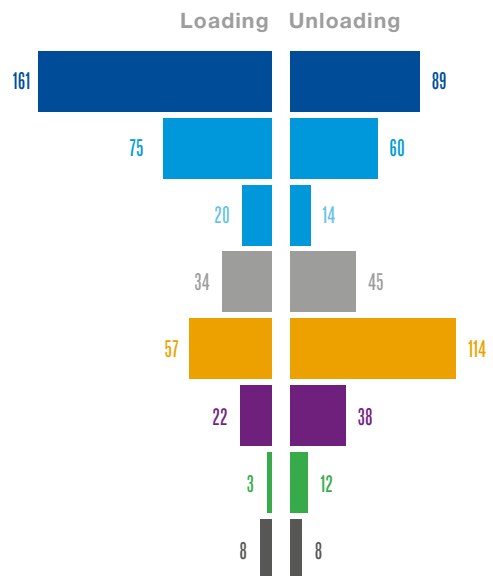


- Europe
- Russia and the CIS
- North America

- India, the Far East, and the Pacific
- Africa
- Middle East

- Latin America and the Caribbean
- Antarctica

Number of flights on the IL-76-TD-90VD by loading/unloading regions in 2015





MODERNISATION OF THE RUSLAN

Volga-Dnepr is implementing a modernisation programme for the AN-124-100 Ruslan aircraft, extending its flying life and increasing its operational efficiency.

The history of Volga-Dnepr Airlines began with one An-124-100. To this day, this aircraft type forms the basis of its fleet, carrying out 60% of the Group's charter operations.

In 2015, Volga-Dnepr acquired two more An-124-100 Ruslans, taking its total fleet of these aircraft to 12 and increasing its share of the world's AN-124-100 commercial fleet to 64.1%.

Ruslan retrofitting must ensure its reliability and efficiency. Using advanced Russian and foreign technology, aircraft will be refined in several stages to conform to the requirements of leading members of the International Civil Aviation Organisation (ICAO) for noise and emissions of harmful

substances, and navigation and radio communications precision.

The crew of a new modification will be reduced from six persons to three. In order to significantly reduce the paid time of a grounded aircraft, designers at Volga-Dnepr are also working on modernised loading and unloading systems. The aircraft will be refined in close cooperation with international suppliers of components and engineering services in accordance with the standards of the European Aviation Safety Agency (EASA). Thus, the Ruslan will be able to transport both oversized and general cargo with high efficiency and lower costs until at least 2040.

64.1%

Volga-Dnepr's share of the global commercial fleet of AN-124-100 freighters



SCHEDULED CARGO TRANSPORTATION



11,592
flights in 2015

57,306
hours – total flight time for 2015



“ In the market today, there is no shortage of carriers. Cargo capacity is offered by many passenger airlines but it is even more important to provide customer with specific, customised solutions. The advantages offered by AirBridgeCargo are defined by our fleet and skillfully-built route network. We operate the youngest fleet of Boeing 747 cargo planes in the industry, the volume and configuration of which allows them to serve markets with the largest traffic flows and place cargo onboard in the best possible way. The global route network of AirBridgeCargo unites major air hubs of the world in Europe, Asia and North America and enables the airline to ensure the delivery of cargoes within 48 hours, including the time required for ground handling.

Denis Ilin
Executive President of AirBridgeCargo



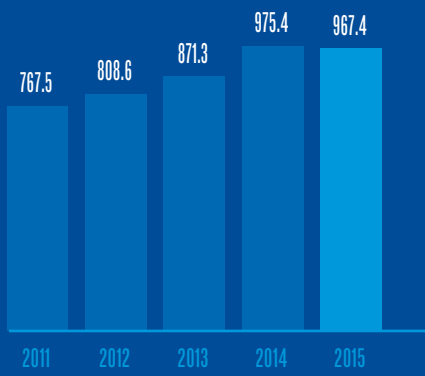
The scheduled cargo segment remains the main driver of revenue growth of Volga-Dnepr Group. It is represented by AirBridgeCargo and ATRAN. The former is the undisputed leader in the Russian aviation industry and one of the fastest growing airlines in the international market. AirBridgeCargo was among the first to start operations with the Boeing 747-8F and today its fleet includes eight modern, efficient aircraft of this type, designed to perform long-haul flights. ATRAN Airlines operates in the segment of medium-haul transportation, using Boeing 737-400F planes with medium lifting capacity.

Sales volume

967.4

USD mln

Sales volume, USD mln

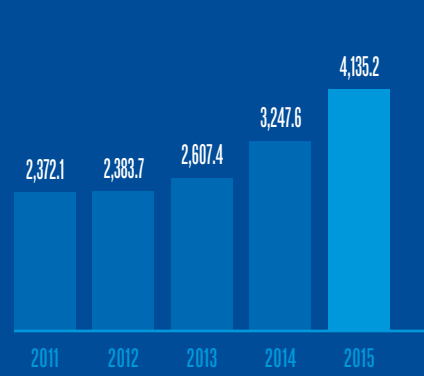


Cargo turnover

4,135.2

mln tonne-kilometres

Cargo turnover, mln tonne-kilometres

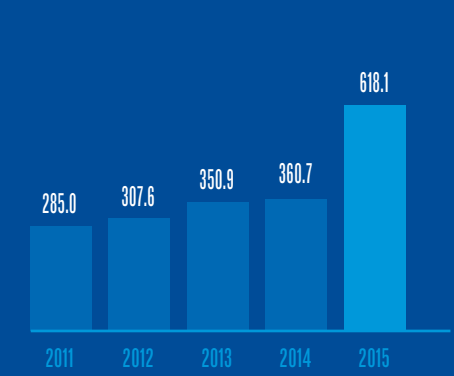


Cargoes transported

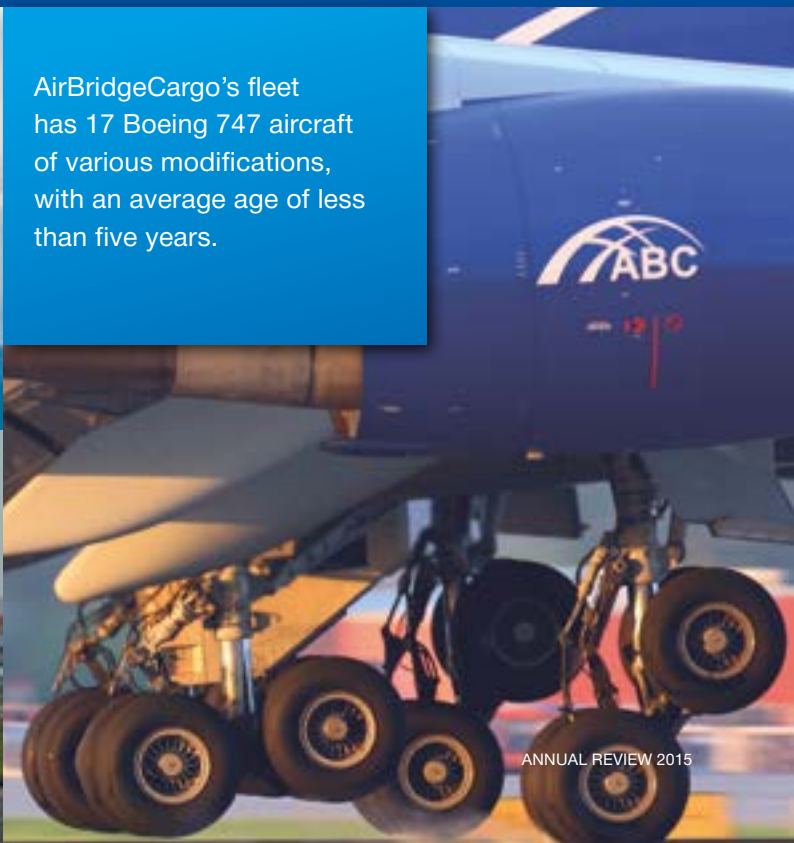
618.1

thou. tonnes

Volume of cargoes transported, thou. tonnes



AirBridgeCargo's fleet has 17 Boeing 747 aircraft of various modifications, with an average age of less than five years.



AIRBRIDGECARGO AND ATRAN ROUTE MAP



99.2%

Punctuality
of ATRAN Airlines



AirBridgeCargo
is a member of:

- IATA
- Cargo 2000
- TAPA
- Cool Chain Association



< 5 years

the average age
of the the Group's aircraft
fleet



31

destinations across
a route network spanning
14 countries



17

Modern Boeing 747 freighters



87%

indicator of DAP quality (Delivered As Promised)



71%

Average load factor



AIRBRIDGECARGO AIRLINES

Despite the difficult economic environment and volatility in the global cargo market, AirBridgeCargo completed 2015 very well. The company has entered a zone of positive profitability and remains one of the fastest growing companies in the world.

AirBridgeCargo's positive growth trend is based on the successful combination of several factors. It is launching new destinations, further improving network connectivity and introducing additional frequencies on current routes, where there is a shortage of freight capacity. Separately, it is worth noting the airline's purposeful work to improve customer service.

AirBridgeCargo Airlines with a hub based in Moscow Sheremetyevo airport, serves cargo flows between Asia, Europe, the USA, and Russia. Customers have a choice of more than 600 weekly connections to ensure the delivery of their cargo between any points in the airline's route network within 48 hours, including ground handling. According to an independent report by the C2K quality management system, AirBridgeCargo's DAP (Delivered As Promised) indicator of quality is 87%. Thus, it ranks among the most punctual airlines in the world.

Another advantage is the airline's ability to carry a wide variety of specialist cargoes that require particular expertise, such as pharmaceuticals, live animals, perishables goods, and oversized cargo, etc. Against the backdrop of the slowing Chinese economy, in the China-Europe cargo transportation market, AirBridgeCargo saw a 9% decrease in 2015. However, due to the above factors, the airline managed not only to preserve but actually increase its transportation volumes by 3% to this destination.

In addition, AirBridgeCargo continued to actively diversify its business. In 2015, it expanded its route network in Asia to nine destinations by launching flights to Singapore and Hanoi. In Europe, Helsinki became a new destination, and in North America, Los Angeles, Atlanta, and Anchorage joined the network.

For the first time, the airline launched

flights to the West Coast of the USA across the Pacific, a timely prediction of global demand. The China-USA tradelane proved to be the most dynamic in the air transportation market in 2015, fuelled by both global factors such as the US dollar strengthening against the euro and the yuan, and local ones such as the strike action at American seaports in Q1 of the last year. Ultimately, AirBridgeCargo doubled its volumes to this in 2015 compared to 2014.

Strong results were also achieved in the transportation market from Europe to the USA and in the opposite direction, seeing AirBridgeCargo's tonnage increase by 223% and 86% respectively over the year.

In 2015, the airline continued to invest in its fleet with the addition of two more latest generation Boeing 747-8 Freighters. Aircraft of this type offer the increased lifting capacity and improved operational



During 2015, AirBridgeCargo performed 11,592 flights and transported 618,000 tonnes of cargo – 71.4% higher than a year earlier. Cargo turnover increased by 27.3% to 4,135.2 million tonne-kilometres. The industry as a whole grew only by 2.7%.



618.1

thou. tonnes
of cargoes transported

1,099

employees
around the world

efficiency, producing customers with the best ratio of cargo volume to weight.

The activities of the company were highly appreciated by its customers. According to the results of an open vote among industry professionals organised by the leading industry publication Air Cargo News, AirBridgeCargo was recognised as the world's best All-Cargo Airline of the Year.

In addition, Payload Asia magazine named AirBridgeCargo as 'Airline of the Year', based on online voting by its 18,000 readers.

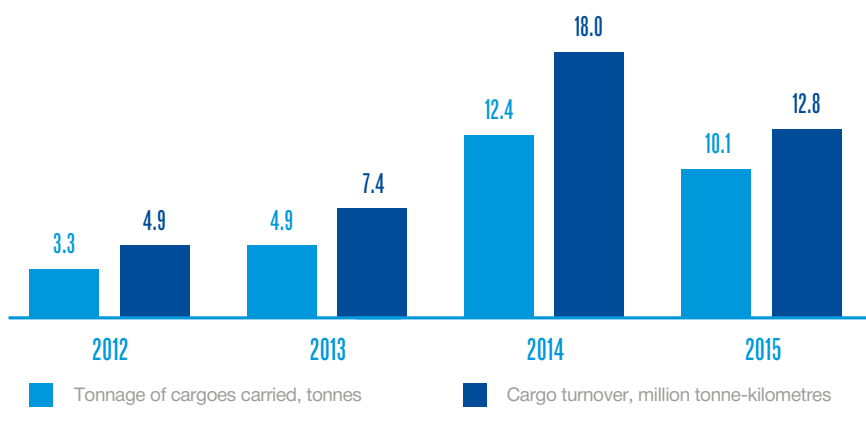


ATRAN AIRLINES

ATRAN Airlines is an important part of the product line of the cargo supermarket, providing scheduled air cargo transportation on short and medium-haul routes.

Based on ATRAN Airlines, Volga-Dnepr Group is implementing its Small Cargo Aviation project. The airline's fleet currently consists of two medium-haul Boeing 737-400SF aircraft based at Vnukovo and Sheremetyevo airports (Moscow).

In 2015, the company's route network saw a rapid expansion and it now includes 12 destinations. Norilsk, Yaroslavl (Russia), Bishkek (Kirgizstan), Belgrade (Serbia), Skopje (Macedonia), and Nuremberg (Germany) were added to ATRAN's existing destinations. In 2015, the airline carried a total of 10,097 tonnes of cargo, 18.5% less than the previous year. Cargo turnover amounted to 12.8 mln tonne-kilometres.





2x times

ATRAN's route network
doubled in size in 2015
to 12 destinations

1,157 flights

operated by the airline in 2015



SUPPORTING BUSINESSES

The reliable and high quality work of the Volga-Dnepr Group airlines is supported by a number of supporting businesses. Volga-Dnepr Technics Sub-Group specialises in the maintenance and repair of aircraft. Volga-Trucks is engaged in roadfreight for customers of the Group. NIC provides insurance protection for major aviation risks, as well as insurance for employees of the Group. Volga-Dnepr-Leasing was created in order to consolidate the organisational and financial resources to modernise the IL-76TD. VDI specialises in operating and financial leasing of aircraft. Supporting businesses contribute to the maximum efficiency of the Group in all markets where it operates.



MRO bases

in **9** airports

of Eastern and Central Europe,
as well as in the Middle East



Leasing

Volga-Dnepr-Leasing
Volga Dnepr Airlines (Ireland) Limited (VDI)





“ A company is global and its business is international when it not only carries out operations abroad but also has worldwide business anchor points, using international financial and human resources. Such an approach makes a business more flexible, dynamic and simultaneously increases its resistance. Therefore, the long-term objectives of Volga-Dnepr Group include creating common major centres in all key regions where we have customers, to make their use of our services even more convenient.

Alexander Eremin

Vice President,
Property
Management,
Volga-Dnepr
Group



Logistics

Volga-Trucks



Insurance

NIC Insurance Company





MAINTENANCE AND REPAIR

Timely and qualitative aircraft maintenance has paramount importance to flight safety and reliability. In Volga-Dnepr Group, this area is assigned to Volga-Dnepr Technics.

99.61%

technical punctuality indicator of Volga-Dnepr Technics when servicing AirBridgeCargo aircraft



Volga-Dnepr Technics is a provider of maintenance, repair and overhaul (MRO) services for both Russian and foreign aircraft. The company maintains not only aircraft belonging to Volga-Dnepr Group but also aircraft of other carriers. It was established in 2008, combining the Group's MRO bases in Russia, Europe and the Middle East. Currently, its certified stations operate at 10 airports in Moscow, Ulyanovsk, Krasnoyarsk, Krasnodar, Sharjah, Fujairah, Leipzig and Frankfurt am Main. The Volga-Dnepr Technics Sub-Group's revenue in 2015 year amounted to USD 44 million with the biggest contribution coming from Volga-Dnepr Technics Moscow of USD 17.4 million.

Volga-Dnepr Technics Moscow carries out aircraft line maintenance of Boeing 747, Boeing 737, and A320 family aircraft at three airports of the Moscow aviation

hub: Sheremetyevo, Domodedovo, and Vnukovo. The company also owns a line maintenance station at Krasnoyarsk Yemelyanovo airport and, in February 2015, launched an MRO station at Krasnodar Pashkovsky airport. The new site is designed to provide line maintenance of aircraft from the Boeing 737 and Airbus A320 families and is certified by the European Aviation Safety Agency.

In 2015, Volga-Dnepr Technics Moscow successfully passed the audit to extend its EASA Part-145 certificate which allows it to perform basic aircraft maintenance for the Boeing 737 NG at Sheremetyevo airport. As well as its existing Bermuda Department of Civil Aviation approval (BDA 297) for aircraft maintenance, the company obtained the OTAR 39 certificate, which allows it to provide services for maintaining



the airworthiness of aircraft registered in Bermuda. We also completed the project to establish the aviation training centre Part-147 on the base of Volga-Dnepr Technics Moscow, which was launched in 2014.

The punctuality of Volga-Dnepr Technics Moscow in performing work for its major customer – AirBridgeCargo Airlines – reached 99.61% compared with 98.6% a year earlier. The average level of technical delay was only 0.07 hours versus the planned indicator of 1 hour. The company continued to actively develop its work with third-party customers outside of Volga-Dnepr Group. In 2015, the share of Volga-Dnepr Technics Moscow's revenues from third party airlines increased by 6% and amounted to 17.22%.

Volga-Dnepr Technics Moscow was ranked among the TOP 10 most innovative companies in Russia and the TOP 30 largest and fastest growing companies according to ratings prepared by the experts of PricewaterhouseCoopers (PwC) and the NRU Higher School

of Economics. The rankings took into account indicators of turnover, growth, and production innovativeness.

In the UAE, Volga-Dnepr Group cooperates with Volga-Dnepr Gulf which has been operating since 1996 and currently offers an ultra-modern hangar facility for maintenance and repair of aviation equipment within an area of approximately 22,000 m² at Sharjah airport. It also operates an MRO line station in Fujairah. The company has maintenance licences for the Boeing 747-400, B737 CL, B737NG and the A320 family, as well as for An-124 and IL-76 domestic aircraft which are actively operating in Russia, European, Asian, and African countries.

In 2015, Volga-Dnepr Gulf began to perform aircraft maintenance of the Boeing 747-400 of the Malaysian charter operator Eagle Express as well as the Boeing 737-300 of Avia Traffic Company (Kirgizstan). In January 2016, the company successfully completed the whole cycle of the necessary procedures to obtain the permission of the European Aviation Safety Agency (EASA) to perform basic maintenance

0.07 hours

average level of technical delays of Volga-Dnepr Technics Moscow with a planned indicator of 1 hour

MRO bases

at **10** airports
in Russia, Europe,
and the Middle East



40 thou. m²
of specialised production areas



Volga-Dnepr Technics has the EASA Part-145 certificate

(C-check form) of the Boeing 747-400 and Boeing 737 NG in the Sharjah hangar facility.

The successful work of Volga-Dnepr Gulf in the territory of the Sharjah airport free economic zone earned it a merit badge in the SAIF Zone Excellence Awards.

The structure of Volga-Dnepr Group includes AMTES GmbH (Aircraft Maintenance and Engineering Service GmbH), which performs line maintenance and repair of aircraft made in the West and Russia, and also provides such service as sending technical experts to any airport in Europe at the requests of customers.

The main production site of AMTES GmbH, Leipzig/Halle, is situated in the heart of Europe. A new modern hangar facility for AMTES GmbH with an 8,500 m² area is designed for simultaneous servicing of one wide-body or four narrow-body planes. The hangar is equipped with two moving crane that work independently of each other.

AMTES GmbH carries out maintenance of the Boeing 747 and Boeing 737 CL in the volume up to A-check under the certificates EASA Part-145 and Bermuda Approvals, as well as maintenance of the An-124-100 and IL-76 under the FAP-145 certificate.

In 2015, AMTES GmbH received an FAA certificate for maintenance of Boeing 747 aircraft registered in the United States in the volume up to A-check, inclusive. All in all, in 2015 AMTES completed some 50 A-checks on Boeing 747-400/8 and Boeing 737 CL aircraft. In addition, this year, the AMTES GmbH wheel and brake repair shop successfully made about 1,000 wheel repairs of AirBridgeCargo aircraft, including overhaul. For the first time, AMTES also replaced a GENx-2B engine.

In 2015, the Interstate Aviation Committee issued a certificate of conformity to the requirements of AP-145 to the company, which authorises it to perform refinement under service bulletins on the AN-124. In addition to this certificate,



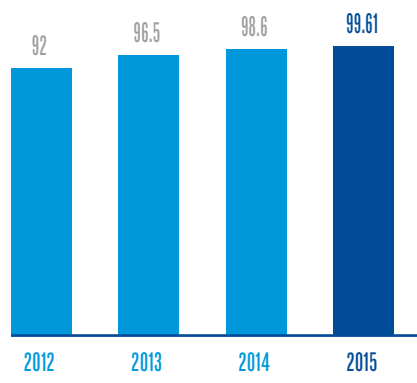
In 2014, a new line station was opened at Pashkovsky airport in Krasnodar, which has all the necessary equipment for line maintenance of the Boeing 737NG and Airbus A320.

the company possesses all necessary certificates for maintenance of these unique cargo planes. Today, most of the work for the maintenance of airworthiness of the AN-124-100 is carried out by AMTES GmbH. In 2015, about 40 forms of maintenance were performed.

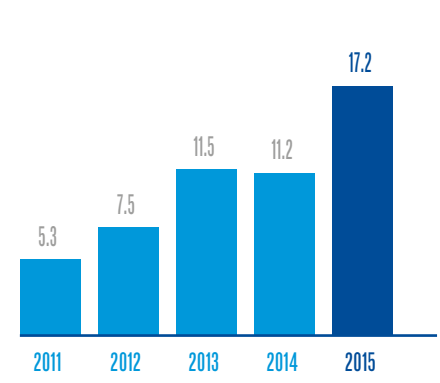
A line maintenance station of AMTES GmbH also works in another major German airport, Frankfurt am Main, where the AMTES GmbH team provides a full range of work, including line maintenance and logistical support for customers.

The development strategy of Volga-Dnepr Technics Sub-Group aims to further expand the range and quality of services. In particular, it is planned to transfer the processes of production and maintenance service, and aircraft modification, to the newest hangar facilities in Leipzig and Sharjah, mastering new types of aircraft MRO, developing a network of line service stations and an aviation training centre.

Changes in technical punctuality index of Volga-Dnepr Technics Moscow in servicing the AirBridgeCargo fleet, %



Changes in the third-party customers' share of aircraft servicing by Volga-Dnepr Technics Moscow, %



ROAD CARRIER VOLGA-TRUCKS

Volga-Trucks is an important part of the product line of the Volga-Dnepr Group cargo supermarket, providing cargo logistics from door-to-door.

17%

increase in the overall volume
of transported cargoes per year

3.8

USD million
Revenues of Volga-Trucks
in 2015

Volga-Trucks provides road transportation services to deliver cargo for the customers of AirBridgeCargo and Volga-Dnepr Airlines, as well as other customers. The company is actively working to expand its customer base. The geography of its transport network covers almost all regions of Russia, including the European territory, Ural, Siberia, the North and the South. In 2015, the total volume of transported cargo amounted to 263,800 tonnes, a 67% increase over the previous year. The company's revenue reached USD 3.8 million.

Volga-Trucks' fleet includes foreign made Volvo and Mercedes-Benz vehicles with a capacity ranging from 5 to 20 tonnes.

The ability to maintain a wide temperature range in the cargo area allows for the transportation of perishable products, including frozen foods, drinks and dairy products at any time of the year.



Volga-Trucks is a member of the Association of International Road Carriers and is a licensed customs carrier, enabling it to perform road transportation services under the internal customs transit procedures.

The customers of Volga-Trucks include such companies as Moscow-Efes Brewery JSC, UAZ PJSC, Alev JSC, Cherkizovsky Meat Processing Plant OJSC, Atyashesky meat processing plant LLC, MARS LLC, and Ulyanovsk Ammunition Plant OJSC.



INSURANCE COMPANY NIC

NIC provides reliable insurance protection of Volga-Dnepr Group from external threats. It insures all aircraft of Volga-Dnepr Group. NIC also insures Group personnel and property.

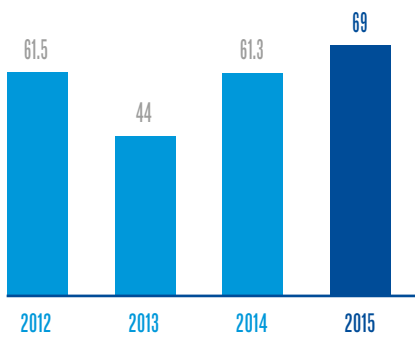
85%

of NIC premiums are based on aviation insurance

Aviation insurance premiums accounted for 85% of NIC IC's annual business in 2015. Based on the volume of premiums for aircraft hull insurance and third party liability insurance, the company has a 5% share in the aviation insurance market and is the seventh largest aviation insurer in Russia. Its marginal revenue in 2015 was RUB 69 million.

In 2015, NIC IC continued to search for alternative insurance capacities to provide insurance coverage for flights of the Group to the regions affected by sanctions. The company built close relationships with the reinsurance markets of Kazakhstan and Belarus, which increased the volume of coverage provided for flights to Myanmar and Iran.

Marginal revenue of NIC IC,
RUB million



NIC IC was able to achieve a significant reduction in rates when renewing the insurance contract for the Volga-Dnepr Group fleet for hull insurance and third-party liability insurance. For Volga-Dnepr Airlines, rates decreased by 21% and for AirBridgeCargo and ATRAN they reduced by 18%. The total savings for the Group exceeded USD 530,000 with the total cost of the fleet, compared to 2014, having grown by almost 5%.

To date, the company has accumulated unique experience of insuring major aviation risks, as well as established an effective reinsurance partnership with leading international insurance companies; Aspen Insurance, Partner Re, Allianz, Liberty, La Reunion Aeriennne, AMLIN, Swiss Re, TALBOT, XL/Catlin, Lloyd's syndicates and others. Work is ongoing to expand the list of long-term reinsuring partners, including in the Chinese insurance market.

An important stage of work with the reinsurance market was the decision to rapidly change the reinsurer leader of Volga-Dnepr Group for insurance policies (aircraft hull insurance + third-party liability insurance, deductible, AVN52E): USA-based AIG was replaced by the UK insurer Aspen Insurance. This step, on the one hand, facilitated the process of insuring flights to different regions for airline companies of the Group, which are affected by sanctions (the USA is the country with the most rigid policy of implementing various extraterritorial sanctions). On the other hand, an advantageous agreement with the new leader helped keep insurance premiums at the same level, despite the common market trends.



AVIATION ACCIDENT PREVENTION, FLIGHT SAFETY AND AVIATION SECURITY

Volga-Dnepr Group has always given a high priority to accident prevention, aviation safety, and aviation security. In 2015, it adopted some additional measures to enhance controls in this critical area of activity.

The air accident prevention and safety management policy of Volga-Dnepr Group is based on the principles of responsibility of senior management personnel and staff, consistency and coherence, air accident preventability, promoting honesty and openness, ensuring continuous learning and accumulation of knowledge. The Group implements a set of effective measures, such as maintaining a high level of airworthiness of aviation equipment, investing in the training of production personnel for safe operation and maintenance of aircraft, and checking the conformity of production processes to the highest international aviation security standards.

The airline companies of the Group are constantly monitoring the level of flight safety through a set of special policy indicators.

Volga-Dnepr is the Russian leader in airport validation in accordance with the EU requirements regulating aviation safety in the transportation of cargoes to the EU from third countries. Currently, the airline has confirmed the ACC3 status (Air Cargo/Mail Carrier operating into the EU from a Third Country Airport) of 10 airports. Previously, the airports of New Dehli (India), Al-Maktoum and Fujairah (UAE), Islamabad, Karachi and Lahore (Pakistan), and Ankara (Turkey), were validated. In 2015, Sharjah (UAE), Cairo (Egypt), and Astana (Kazakhstan), were added to this list.

The main element in the system of accident prevention and safety management are the employees of Volga-Dnepr Group. Their health and professional competence are the basis of the safety and reliability

of the company. Everyone who is directly related to air safety is trained and certified under the relevant programmes in the Aviation Training Centre of Volga-Dnepr Group. ATC teachers study in the world's leading centres. In 2015, 484 people were trained in the ATC, of which 230 are flight technicians.

The tragedy that occurred in Bamako (Mali) in November 2015, which claimed the lives of six employees of the Group, made us pay even closer attention to security measures aimed at preventing terrorist threats. In particular, we have strengthened the control and access regime and protection of Volga-Dnepr Group facilities, refined the plans of interaction with local law enforcement agencies on actions aimed to prevent and eliminate emergency



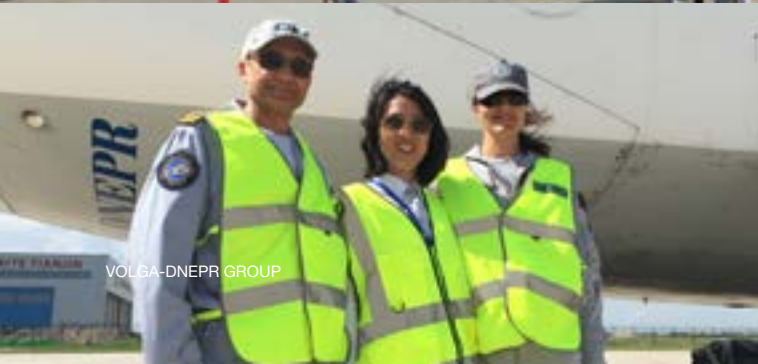
situations, and held additional training for employees in the Transport and Aviation Security Management Office and the remaining staff. We also reinforced 24-hour monitoring of situations in regions of high risk, where airline companies of the Group fly. If a situation becomes complicated, the relevant information is promptly submitted to the company management.

In turn, managers and crew members have started to monitor compliance with aviation security measures even more closely during the preparation and performance of flights.



SOCIAL RESPONSIBILITY AND PERSONNEL DEVELOPMENT

Volga-Dnepr Group has traditionally paid great attention to the implementation of charitable and social programmes. Among them is its support of young people, veterans and socially disadvantaged groups, as well as sports, cultural and educational institutions.





Staff development

Corporate University
of Volga-Dnepr Group



Ecology



Education

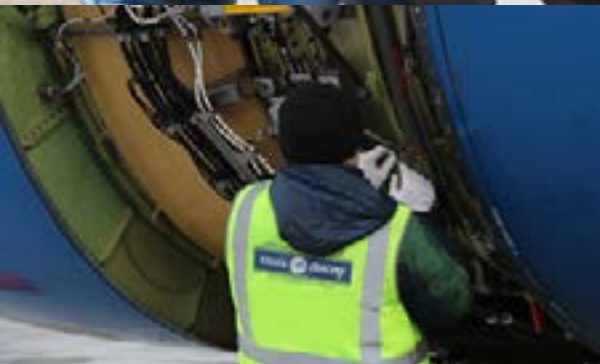
International School
Istochnik



**Social
responsibility**



**Occupational safety
and health**



CORPORATE UNIVERSITY

Volga-Dnepr Group established its Corporate University, to deliver and support systematic work that prepares professional, successful employees to meet the requirements of the company, its customers, and the market.



The Corporate University includes 17 professional schools and works to implement two strategic objectives: creating the Group's Industry Knowledge Centre and implementing the Future Leaders programme approved by the Group President.

The Industry Knowledge Centre creates an environment facilitating the free exchange of knowledge within the company, and builds and maintains various channels to exchange knowledge to achieve the strategic goals of the Group.

The purpose of the Future Leaders programme is to increase the interest and motivation of employees, make them real leaders and, consequently, prepare a management reserve. Currently, this team includes 233 people.

The Corporate University of Volga-Dnepr has been operating for seven years. In 2015, it was assigned with a strategic goal for the next five years to create a centre of expertise and a team of top air cargo business experts.





“ Knowledge of the company is what remains in its office when employees go home. It is important to leave at the office the most needed and useful knowledge for future generations of employees of the company to ensure its long life. And customers of the company must be provided with the exact knowledge about us that they need. It is only by working together that we will get there!

Galina Isaikina

Director
of Corporate
Education
Department



More than 70% of the Group's strategic objectives are implemented with the participation of specialists trained at the Corporate University. The main training grounds of the University are in Ulyanovsk and Moscow. Training is focused on practical and strategic business challenges faced by the Group, and includes weekly trainings and workshops, business sessions and professional conferences. In 2015, 216 sessions were organised for 973 students. Over 120 qualified employees of Volga-Dnepr Group worked as lecturers.

Work to introduce a mentoring system was continued. We approved the correspondent standard, updated the list of mentors comprising 30 people, identifying students for each of them. In order to improve

the efficiency of this process, the Mentoring Council started its work in Volga-Dnepr Group, and an employee responsible for mentoring appeared in each independent unit.

In 2015, work continued to form the basics of HR-analytics in the company. Thanks to the gradual automation of personnel management processes, data became more accessible and easier to work with. In 2015, the Analytics Division automated the 1-2-3 assessment process applied to all Group employees, as well as rotation and competence evaluation procedures using the 360 degrees method. During the year, 242 people, whose work is directly linked to customer service, passed through this process.

Developing the creative and professional potential of employees, in 2015, the Corporate University held two competitions: the Talent Festival which was attended by 27 people, and The Best in Profession held in 37 nominations, which brought together more than 400 participants.

We also continued long-term cooperation with universities in the Volga region, aimed at providing vocational guidance for young people and training young specialists for companies of the Group. 58 students have undergone practical training in Volga-Dnepr and 17 of them have been hired.

AVIATION TRAINING CENTRE

Aviation Training Centre (ATC) works on the base of the Corporate University, implementing most mandatory training programmes for the aviation personnel of Volga-Dnepr Group.

8 programmes

to train cockpit and ground support personnel were added to the ATC certificate in 2015

> 3,500

aviation specialists were trained in the Aviation Training Centre during the year

The Aviation Training Centre was established in 2004 to provide qualitative training of company personnel in accordance with federal and international requirements, as well as standards of the Group. Since 2008, it has been a member of the Russian ATC Association.

Currently, the ATC continues to evolve, providing training of aviation specialists under more than 120 training courses. In 2015, eight new programmes were added to the ATC certificate, including a training course of ATC lecturers, representing the best international practices and personal developments of specialists of the Corporate University in aviation specialist training.

The maximum practical focus of training is achieved through close interaction between the ATC and production units of the Group. Business cases based on the company's experience were included in training course materials. In addition to the regular lecturers, ATC employs more than 80 employees of the Group – specialists

of various services who combine production activity with teaching. They are keepers of the unique knowledge, experience and industry expertise of Volga-Dnepr Group. In 2015, within the framework of further training, 15 lecturers were trained at IATA courses, which guarantees implementation of the best industry practices in educational process of the ATC.

The high quality of training at the ATC is confirmed by the fact that its services are in great demand not only within the Group but also among other Russian and foreign airlines and aviation enterprises. In 2015, over 3,500 aviation specialists were trained at the ATC.

The ATC has fully equipped classrooms with specialised rooms for aviation security and rescue training courses as well as a medical room and listening room with a simulator to practice radio communications skills. In 2015, a fire-extinguishing chamber was opened in the centre, which is part of the equipment complex intended





for training of aircrew members, technicians and loadmasters in rescue training, allowing them to increase the efficiency of fire-fighting.

In addition to the traditional forms of instruction, we actively use remote technologies in the learning process, allowing trainees to work online with educational and test materials, and receive advice from lecturers.

In 2015, a new website for the training centre was developed where information on its services is posted as well as training materials and useful links that are available to everyone.

The most popular courses are training in transportation of dangerous goods (12 ICAO categories), aviation security for the various categories of aviation personnel, and training courses for flight dispatchers.

In 2015, Volga-Dnepr Technics Moscow, one of the leaders of the Russian market for servicing Western-made aircraft, received a Part-147 certificate from the European Aviation Safety Agency (EASA) entitling it to provide theoretical and practical training of engineering and technical personnel to service

the Boeing 747 aircraft. Training on the company premises in the Moscow aviation hub will be provided by highly qualified instructors and lecturers with considerable experience in servicing aviation equipment made abroad.

English language training

One of the most important activities of the Corporate University is English language training for aviation specialists of different categories in accordance with the international ICAO standards. The training is conducted by teachers who have international certificates and are included in the list of the raters and examiners by the Federal Air Transport Agency. In 2015, more than 300 aircrew members underwent qualification testing at the ATC to determine the level of English proficiency according to the ICAO scale.

A high level of language competence for the company's aviation specialists is one of the factors ensuring the required level of safety. Volga-Dnepr is an international company, whose development and success are only possible if its leaders and employees speak the same language with their

colleagues and customers around the world. In this respect, fluency in English is a mandatory requirement for the qualification of all managers and employees of the Group. All international business communications in the company are carried out in English.

In 2015, within the implementation of the strategic goal 100 Trained Leaders for the Implementation of the Strategy, we launched a comprehensive programme of language training for managers and staff, combining classical forms of individual and group training with elements of supportive language environment, allowing them to increase the effectiveness of learning.

INDUSTRY KNOWLEDGE CENTRE

The Industry Knowledge Centre of Volga-Dnepr Group (IKC) was created to preserve, organise, and transfer the accumulated knowledge held within the company. Based on the Industry Knowledge Centre, systems and processes are developed to effectively manage the experience and integrate innovation into daily work at every workplace.

Work areas of the centre include acquiring unique experiences of the company, identifying and extracting knowledge in key areas, creating a single corporate information knowledge system, and forming a team of internal and external experts.

The activities of the Industry Knowledge Centre involve more than 200 internal experts; the project team has over 50 professionals. The centre is working to describe 302 key events regarded as sources of unique experience.

54

external customers

67

internal customers

> 200

internal experts

PRIORITY AREAS OF KNOWLEDGE ACQUISITION

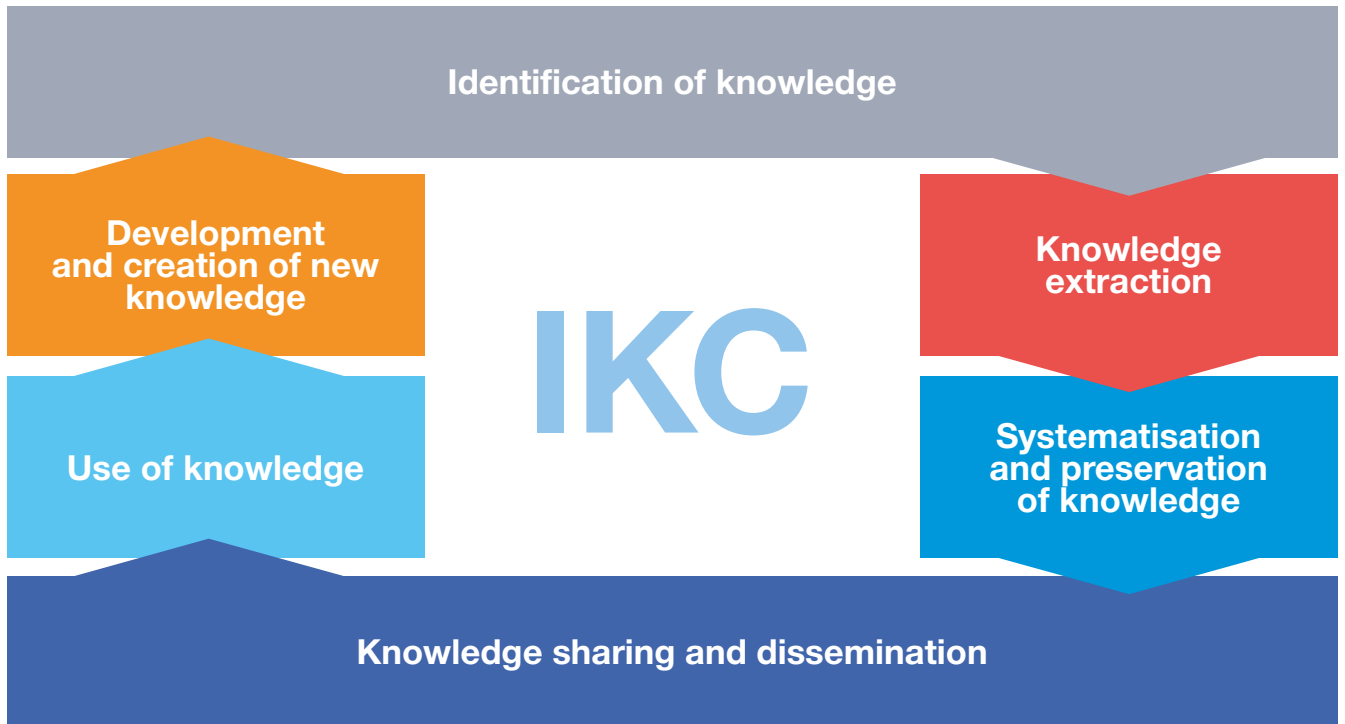
EXTERNAL CUSTOMERS – SUPPLIERS, CUSTOMERS, PARTNERS

- The process of transportation and its safety (people, cargoes, aircraft)
- Products of the Group
- Volga-Dnepr capabilities
- Social activity of the Group

INTERNAL CUSTOMERS – GROUP EMPLOYEES

- Lessons that made Volga-Dnepr change
- Group values and their manifestations
- The company's development strategy and its implementation

- Knowledge of managers, employees, the company's customers, suppliers
- Air accident prevention and flight safety
- Flight and technical operation, maintaining airworthiness
- Marketing, work of the commercial service with customers
- The process of transportation and transportation operational control
- Company management and organisational models
- Information on the performed transportation and customer feedback
- Engineering and technological, logistical, economic solutions



302

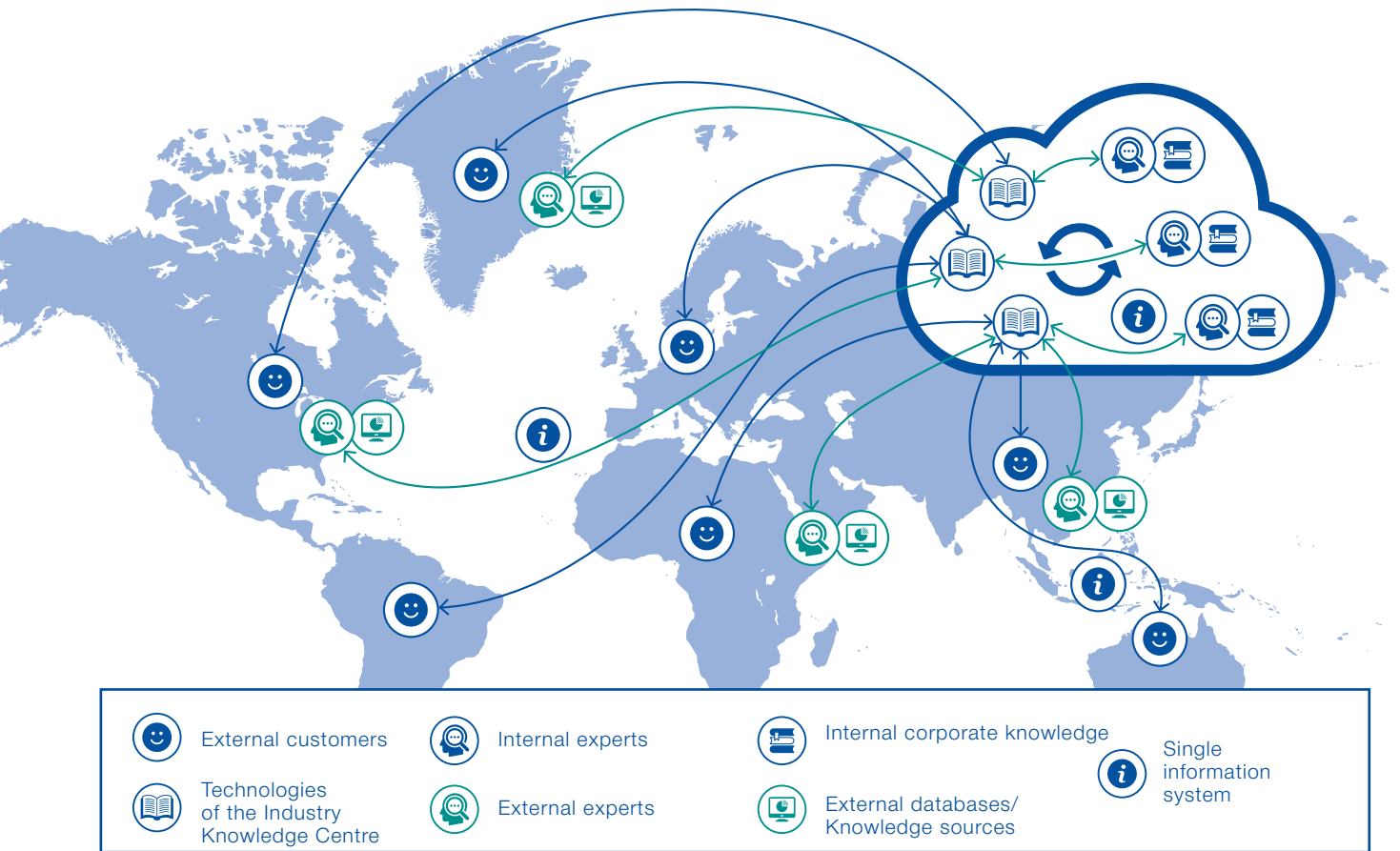
key events/ sources of unique experience

> 50

project team members



The main elements of the knowledge management system



SOCIAL RESPONSIBILITY



One of the priority areas of the Group's charitable activity is helping children and investing in the human capital of the future. Volga-Dnepr Airlines is a founding member of the International School Istochnik which is involved in preschool, school and further education. It has a modern logistical base conforming to international and Russian educational standards. In May 2015, a multifunctional laboratory was organised in the school. Over three calendar years, equipment worth RUB 6.6 million has been purchased.

Projects in the field of youth policy are also being implemented. For example, Volga-Dnepr Airlines is the founder and chief sponsor of the Gagarin Tournament, the open Ulyanovsk Open Championship in Kyokushin Karate among boys

aged 8-13, held annually on April 12 on the Cosmonautics Day. Despite their young age, many of the participants have practiced martial arts for many years and are considered professional fighters.

On New Year's Eve, the company gave the schoolchildren of Yelkhovoye Ozero, Tsilninsky district in the Ulyanovsk region, 125 pieces of computer equipment.

The Group cooperates with the Ulyanovsk Regional Gerontological Centre, the Charitable Foundation of Social Support for Veterans 'Good Deeds', the Ulyanovsk Local Public Organisation of Aircraft Manufacturing Veterans 'Aviastar' and other organisations involved in the support of disadvantaged groups of people.



In the regions of presence, especially in Ulyanovsk, Volga-Dnepr Group is an active participant in cultural life. Its regular partners include the Goncharov Ulyanovsk Regional Drama Theater and the Ulyanovsk Regional Philharmonic. In 2015, the Group sponsored the Top Class urban festival of talent, dedicated to the day of the Russian Air Force within the celebration of the Aviation Day in the region.

Charitable activities are supported by the Group's employees: a statement that the company employs good, responsive people is confirmed by their deeds. So, within the Ulyanovsk regional charity campaign Help to Prepare for School, the employees have collected money to purchase school uniforms and school bags for children from poor

families and children with disabilities. On New Year's Eve, the company held the campaign Letter to Father Frost and members of the Group fulfilled the wishes of 20 children from the Childhood Home in Ulyanovsk.



ECOLOGY

In its activity, Volga-Dnepr Group strives to meet the most up-to-date international requirements in the field of environmental protection.

The Group is constantly working to improve the environmental efficiency of its fleet. The fleet of Volga-Dnepr, AirBridgeCargo, and ATRAN includes the upgraded versions of the IL-76TD-90VD and modern Boeing 747 aircraft, among them the latest modifications of the Boeing 747-8F. Choice of the fleet not only positively affects the overall fuel efficiency of the Group but also ensures compliance with the highest international environmental standards of noise and emissions of harmful substances into the atmosphere.

When implementing its environmental policy, Volga-Dnepr Group is guided by the following principles:

- planning and performing activities in accordance with the requirements of the Russian and international regulations in the field of environmental protection;
 - introduction of equipment, technologies, materials, and technological processes that incorporate modern environmental requirements and help reduce the adverse environmental impact;
 - improving training level, consciousness and awareness of the Group personnel on environmental aspects of the core, supporting and management processes;
 - ensuring the openness of the Group's activities in the field of environmental protection for all stakeholders;
 - reliable accounting, analysis and reporting on actual environmental performance of economic activities of the Group's companies;
 - maintaining an effective environmental management system
- to continually reduce the impact of business activities of the Group's companies on the environment.



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