

Sergey Shklyanik, Board Chairman NIC

Dear Colleagues, Happy New Year!

I would like to thank you for your efforts made in the previous year, our joint work based on mutual respect of viewpoints and solidarity in understanding air fleet insurance market issues.

I would wish to all the insurance community a stable foundation ensuring successful finance activities, high ratings, standing and loyal customers, significant sales featuring efficient margins and of course implementation of all strategies of the companies! I sincerely hope our cooperation will continue and lead to a successful implementation of joint projects!





10-12-2012 AirBridgeCargo airlines takes delivery of third Boeing 747-8F

December, 4th - AirBridgeCargo Airlines (ABC), part of Volga-Dnepr Group and Russia's largest cargo airline, has taken delivery of its third Boeing 747-8 Freighter from Boeing in Everett (USA). The aircraft made its first commercial flight on December 3rd on Seattle (USA) – Hong Kong (China) – Moscow/Sheremetyevo (Russia) route.

The new aircraft will be used on ABC's existing route network linking Europe, Asia and the USA with AirBridgeCargo's hubs in Moscow. The third Boeing 747-8F delivery is the next AirBridgeCargo's step in implementing fleet renewal strategy by replacing older aircrafts with new-generation cargo aircrafts.

On receipt of its third Boeing 747-8F the airline reduced its average fleet age to 4.1 years. AirBridgeCargo current fleet consists of 11 Boeing 747 aircrafts (five Boeing 747-400ERF, three Boeing 747-400F and three Boeing 747-8F).

07-12-2012 VD Group Legal Department becomes the winner in Best Legal Departments 2012 International Contest, Transport Nomination

In 30 November, 2012, Icon Hall in Moscow accommodated grand award ceremony of the VII International Annual Contest Best Legal Departments 2012.

The Contest has been a major CIS-based image-making non-commercial event aimed at enhancing image of legal profession.

The Prize was promoted by an international group company, Wolters Kluwer, and Korporativni Yurist (Corporate Lawyer) Magazine in 2005. Over seven years of its existence, the Prize became the most high-prestige and recognized award within legal community.

From 2012, the Contest has received support by Association of Lawyers of Russia, and the Contest was participated by legal

departments of major Russia- and CIS-based companies. Over 100 legal divisions of leading Russian and international companies worked for victory in the Contest finals.

The goals of the Contest are to unite legal community and improve general significance and status of the profession.

It was two times in succession that VD Group Legal Department participated and took the first prize in the contest becoming the leader in the nomination to have demonstrated the highest-level professionalism, best department organization and legal risk management practices.











Volga-Dnepr Technics has extended its aircraft maintenance and repair services in the Middle East with the addition of a new wheel and brake maintenance division in Sharjah, UAE.

Represented in the region by Volga-Dnepr Gulf Company, Volga-Dnepr Technics says its new production capabilities in Sharjah include its investment in advanced maintenance equipment from the German equipment manufacturer, KUNZ. This enables Volga-Dnepr to offer wheel and brake servicing for various aircraft types including Boeing 747, Boeing 737Cl and NG, as well as Airbus A300, A310 and A320 aircraft.

All operations at the CAR-145 certified wheels and brakes workshop

are performed in accordance with the requirements and standards of the Gulf Civil Aviation Authority (GCAA). Among other services Volga-Dnepr Technics provides are the complete inspection of wheels and brakes including non-destructive testing (NDT), tyre replacement, wheel overhaul, friction pad replacement and brakes overhaul.

Volga-Dnepr has successfully completed its first series of maintenance checks on aircraft wheels and brakes for several airline clients in Sharjah. The company says it also plans to continue to expand its aircraft components maintenance and repair operations at the facility.

03-12-2012 Ambassador of Canada visited the office of Volga-Dnepr Airlines

John Sloan, the Ambassador of Canada in the Russian Federation visited VDA office accompanied by his associates and Vladislav Tretyak, the Deputy of the State Duma of the Russian Federation and the President of Russian Hockey Federation.

Alexander Sidorin, VDA Executive President presented the core businesses of Volga-Dnepr Group to the representatives of Canada Embassy, Canada Eurasia Russia Business Association, Ulyanovsk Region Government and Vladislav Tretyak International Sports Academy. The guests asked a number of questions about the Airline and discussed business prospects and opportunities with VDA top management.

The delegation took a trip around the brand-new VDA Information Center which operates since February 2012, and discovered the universal Flight Operations Control Center. The guests were enthusiastic to see the AN-124-100 Full Flight Simulator, the only



AN-124 simulator complex in Russia equipped with the motion system. The Ambassador and his fearless colleagues took part in an instructor-led demonstration flight over an airport of Canada.







03-12-2012 Volga-Dnepr approach to healthy lifestyle acknowledged Russia's best corporate practices

On 28 November, 2012, The Fifth International Forum PEOPLE INVESTOR organized by National Association of Managers took place in Moscow. The Forum's Mission is to 'identifyterm perspectives which both owners and managers are always faced with. The participants of the Forum included such companies as DHL Express, Transaero, DeutscheBank, KPMG, URALSIB, IBM and Mobile TeleSystems.

Best Corporate Practice Contest became the key event at the Forum. In Human Resource Management nomination, the jury







gave the first prize to Volga-Dnepr. The jury experts were strongly impressed with the importance the company puts on one of its main values, moral and physical health of its personnel.

Investments in a healthy lifestyle as a reliable method to preserve resources of valuable and professional team was viewed as a unique approach by a Russia-based business. Volga-Dnepr is an organization targeted at a longer professional career, and regards its personnel as a main asset, and recognizes that dividends and investments in personnel are invaluable. "We see moral and physical health as prerequisites for self-fulfillment through decent work," a principle laid down in the corporate Business Ethics Code.

We appreciate all personnel sharing these values and actively join health maintenance programmes. Awareness of being a part of a larger organism, i.e. the Company, the future and well being of which depends on each person, is a guarantee to successful development.





03-12-2012 Russia's Federal Space Agency awards Volga-Dnepr license to carry 'space cargoes'

Volga-Dnepr Airlines has been awarded a license by the Russian Federal Space Agency (Roscosmos) to perform transport operations for rockets, space mechanisms and rocket fuel.

The license is issued for an indefinite term and approves the company as a full-fledged carrier for aerospace cargo. Such status will enable Volga-Dnepr Airlines to compete more effectively in the market of aerospace cargo services, improve its profile with aerospace companies in Europe and North America, and qualify Volga-Dnepr for bidding in space industry tenders requiring such license.

To gain the license, Volga-Dnepr Airlines provided the Federal Space Agency with the required information confirming the framework of contracts for space cargo transportations as well as confirming the capabilities of its highly trained and quality personnel. The airline also provided information on its fleet, technologies, special loading systems and the processes it deploys to ensure the safety and security of all transported cargo. A great role in the process of obtaining the license has been played by Igor Aroutyunyan and

Denis Zuzanov, Traffic Rights Division and Sergey Lenivin, Lead Sales Executive, Sales Department.

Transportation of aerospace cargoes is one of the key areas of Volga-Dnepr Airlines' outside and heavyweight air cargo business. Over the last 20 years, the airline has successfully

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completed 3,312 aerospace flights. The total weight carried on these flights is more than 107,000 tonnes. Volga-Dnepr Airlines operates aerospace flights for customers from Germany, Kazakhstan, Canada, China, Russia, USA and France to all of the world's leading space centers.







28-11-2012 Volga-Dnepr Technics opens line maintenance station at VKO

Volga-Dnepr Technics (VDT) obtained an approval from European Aviation Safety Agency (EASA) to perform line maintenance operations at Vnukovo Airport. VDT will be providing line maintenance with A-Check scope and related services for the following airplane types: Boeing B737Cl and B747 family. Important to note that VDT is the first comp-any at VKO to plan maintenance services for the Boeing latest model, B747-8. Thus, VDT now runs aircraft maintenance bases at three airports within Moscow Air Cluster: Sheremetyevo, Domodedovo, Vnukovo. Overall, the Company operates at ten airports worldwide (SVO, DME, VKO, KJA, ULY, SHJ, DWC, FJR, LEJ, FRA). In the future, VDT plans to establish its operations in all regions of presence.

02-11-2012 Volga-Dnepr Technics finds solution to expedite engine repair in adverse weather

Volga-Dnepr Technics assisted i-Fly Airlines in expedite engine modular repair at Chelyabinsk Airport. The task was managed using mobile inflatable hangar.

i-Fly B757 airplane had an AOG situation at Chelyabinsk Airport due to engine malfunction caused by bird strike. Adverse weather – storm wind and cold temperature – did not allow for timely repair.

i-Fly Maintenance Department applied for advice to Volga-Dnepr Technics who promptly found a solution to promptly eliminate the deficiency. A mobile inflatable hangar was delivered to Chelyabinsk airfield using which i-Fly maintenance team managed to perform engine modular repair with replacement of costly parts in the shortest time releasing the airplane to operations.

Volga-Dnepr Technics is an exclusive distributor for Russia of J.B.Roche mobile inflatable hangars. The inflatable hangars allow for aircraft maintenance operations in the adverse weather conditions. Other indisputable advantages of the hangars are ease of transportation and storage, deployment time (30 min), thermal insulation properties and reliability.





26-12-2012 Both sides of the Ocean: three Volga-Dnepr offices arrange transportation for CEVA Charter Services

Volga-Dnepr Airlines successfully transported oil and gas equipment from Cabo Frio, Brazil, to Accra, Ghana. The mission was performed by 76TD-90VD freighter on 26 September.

The payload was a bypass valve for use in oil and gas industry. The part weight amounted to 22 tons which rendered the use of onboard cranes impossible. For load distribution on the freighter cargo floor, a special platform was designed and built in Houston, US, and shipped to Cabo Frio in just three days. Loading equipment from Leipzig, Germany, also arrived at Cabo Frio. The payload was placed in the airplane cargo cabin using a trailer, external crane, platform and the above loading equipment.

The customer for the mission was CEVA Charter Services, a logistics company and a partner to Volga-Dnepr. The bypass valve was intended for Transocean, a major global contractor in oil and gas field development.

CEVA representatives noted professionalism, punctuality, and high-level expertise shown by VDA personnel, and also excellent teamwork by Volga-Dnepr offices in Stansted, Houston and Ulyanovsk.









22-10-2012 Air-to-air photo shooting took its place above the sky in Seattle

In the end of September AirBridgeCargo received unique photo and video material of Boeing 747-8F sailing in the morning sky of Settle.

The project was accomplished in co-operation with the Boeing Company, ABC and Wolfe Air — the company which specializes in all types of aerial cinematography. For this flight, which is considered to be a risky one, they used Learjet 25B for its speed and agility and performed all the works on the altitude of 10,000-

17,000 miles. Several of the cabin windows have been highly polished for still photography. Qualified team of photographers made it possible to capture aircraft in all its beauty which is revealed in more than 100 stunning photos.

The whole full coverage of B747-8F story was accomplished in 2 hour long photo sortie. The flight path took the form of triangle between Paine Field, Tatoosh Island and Hoquiam. This triangle gave the crew a nice range of scenery over water and over land.



16-10-2012 AirBridgeCargo Airlines operates its first Boeing 747-8 charter flight

October 11, 2012: AirBridgeCargo Airlines, Volga-Dnepr Group's scheduled cargo airline, has successfully operated the first charter flight using its new Boeing 747-8F.

The airline safely delivered 35 tons of radioactive cargo from Paris to Johannesburg.

The shipment of dangerous goods was delivered to replace an essential part of a nuclear power station in South Africa. AirBridgeCargo's team of experts worked with specialists from AirNautic France to ensure all strict procedures where complied with in order to guarantee the safe and secure delivery of the cargo.

"The transportation of highly sensitive cargoes like this is all part of ABC's expertise in the global air cargo market. This shipment proves not only ABC's ability to transport special cargoes but also demonstrates its productive relationships with its partners. We have seen strong support from our GSA agent in France, AirNautic, and we are continuing to develop similar long-term co-operation with other business partners worldwide," said Tatyana Arslanova, Executive President of ABC.







02-10-2012 ABC's record breaking month in motor car transportations

For a major Russia-based freight carrier, AirBridgeCargo, September became a record breaking period by the number of motor car and other vehicle transportations.

ABC's B747 scheduled operations delivered 20 cars from Sheremetyevo hub to Europe, North America and Asia.

ABC was also chosen for backward delivery of 8 cars exhibited at 2012 Moscow International Automobile Show, which along with major car shows worldwide, is becoming one of the most important events in the car industry. For cars were delivered to Chicago, two to Munich, while the rest to Frankfurt and Paris.

Notable among other transportation in September, are shipments of a Lamborghini to Milan Car Show, Lada Granta and Toyota to Tokyo, Volkswagen Tiguan and Polo to Chicago, and Rolls-Royce to Frankfurt.

"Considering the fact that our Airline was chosen for delivery of all of the vehicles serves a reflection of ABC's market image as a reliable air carrier with a successful experience in the sector. We



have dealt with motor car transportations since the very first day of the Company's establishment in 2004, and this growing sector is among our most important areas of operations," says Tatyana Arslanova, Executive President ABC.

01-10-2012 Volga-Dnepr Technics launches line maintenance facility at Frankfurt Airport



Volga-Dnepr Technics (VDT), part of Russia's Volga-Dnepr Group, has opened an aircraft line maintenance station at Frankfurt Airport. Germany.

Approval to provide aircraft maintenance at Frankfurt Airport follows a successful audit of Volga-Dnepr Technics by the German CAA, supported by the company's EASA Part-145 (DE.145.0468) certificate for the provision of maintenance services for Boeing B747-200/300/400 aircraft (CF6-50/80). The company employs EASA Part 66 B1/B2, CATA certified personnel.

In addition to line maintenance services, VDT will lease out ground support equipment, tools and special vehicles and sell consumables such as oils and lubricants.

The first customer of VDT's maintenance services at Frankfurt Airport was its key partner, AirBridgeCargo Airlines — also part of Volga-Dnepr Group — which operates a fleet of Boeing B747 freighters. Prospectively, Volga-Dnepr Technics plans to add maintenance of the B747-8 to its certificate as well as narrow-body aircraft types with higher demand in the market, such as the Boeing 737 and Airbus A320.

With this latest investment, VDT now operates at the two major Germany-based airports featuring the largest freight traffic, namely Leipzig and Frankfurt. At Leipzig Airport, the company provides A-check line maintenance scope and has future plans to provide heavy maintenance checks.

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